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1 (The proceedings in this matter commenced at
2 1:36 p.m.)

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4 THE CLERK: Civil Action 3:09CV00620, ePlus,
5 Incorporated v. Lawson Software, Incorporated.

6 Would counsel please state their name for the
7 record and the parties they represent.

8 MR. MERRITT: Your Honor, good afternoon.
9 Craig Merritt with Christian & Barton for ePlus.

10 MR. ROBERTSON: Good afternoon, Your Honor.
11 Scott Robertson from Goodwin Proctor for plaintiff
12 ePlus.

13 MS. ALBERT: Jennifer Albert with the firm of
14 Goodwin Proctor for plaintiff ePlus, Inc.

15 MR. CARR: Good afternoon, Your Honor.
16 Dabney Carr from Troutman Sanders for Lawson Software.

17 MR. McDONALD: Good afternoon, Your Honor.
18 Daniel McDonald of Merchant & Gould for Lawson
19 Software.

20 MR. ANGLE: Good afternoon, Your Honor.
21 Robert Angle from Troutman Sanders on behalf of Lawson
22 Software.

23 THE COURT: All right. We have the Markman
24 hearing in this case. There are three patents at
25 issue; '683, '516 and '172.

1 What is the difference between the
2 patents-in-suit as to the invention that is at issue?
3 The basic invention. Why are there three patents and
4 what is best way for us to understand the real
5 differences between these patents?

6 Mr. Robertson, in a nutshell, give us an
7 answer.

8 MR. ROBERTSON: Would you like me to address
9 it from the podium, Your Honor?

10 THE COURT: Yes, so everybody can hear.

11 MR. ROBERTSON: The best way to answer that,
12 Your Honor, is that the three patents all come from a
13 common specification and are what are called
14 continuation patents. So, therefore, under the law the
15 patent statute, the patent owner is entitled to
16 continue claim coverage of its inventions as disclosed
17 in the specification by having a common pendency of the
18 applications in common inventors.

19 Again, it's black letter patent law that the
20 actual language of the claims define the inventions.
21 So we're going to need to look at the 13 individual
22 claims that are being asserted here in order to
23 understand the proper scope. The --

24 THE COURT: Basically, why do you need three
25 patents to deal with one basic invention? Why do we

1 need three patents to deal with that?

2 MR. ROBERTSON: Well, Your Honor, it's
3 because there are different aspects of the invention
4 that were important. There are aspects of searching
5 multiple catalog databases. There are aspects of
6 refining the search criteria, to be able to do what is
7 known as cross-referencing the patent in order to come
8 up with similar products or products that might be
9 replacement products.

10 So there are various different aspects. It's
11 a big invention. It's tough to get your arms around it
12 when you start out. And so what initially happens is
13 the patent attorney looks at the specification and
14 decides on a set of claims, submits them to the Patent
15 Office, and then pursues that dialogue, that
16 communication, through the Patent Office to get a set
17 of certain claims, recognizing that you could get some
18 claims allowed fairly quickly, and then move on and
19 look at other aspects of the invention.

20 THE COURT: It's a morass in the meantime for
21 people trying to understand the invention and creates a
22 morass for people trying to understand what's going on.
23 That's essentially what happens, I think.

24 I guess the answer is there is no real answer
25 to the question.

1 When the PTO did the reexamination, has it
2 reexamined these patents? Which ones has it
3 reexamined?

4 MR. ROBERTSON: Presently now all three of
5 the patents are in reexamination, Your Honor, but not
6 all of the claims are in reexamination. That's a set
7 of claims from the '683 patent, the first patent at
8 issue, that are not currently in reexamination.

9 But if you pay your fee, and the statistics
10 show that 95 percent of the claims when requested by a
11 requester in reexamination are going to be put through
12 the reexamination.

13 THE COURT: It's just another example of how
14 patent law, the patent system, has gotten itself so
15 bollocksed up it's almost impossible to allow things to
16 go forward.

17 But what I'm interested in is have all three
18 of these -- has the '172 been through reexamination?

19 MR. ROBERTSON: They are all --

20 THE COURT: Has it been through
21 reexamination? Is it finished?

22 MR. ROBERTSON: No, sir.

23 THE COURT: Started?

24 MR. ROBERTSON: No, sir. Not even close.

25 THE COURT: It hasn't even started?

1 MR. ROBERTSON: It's at a very early stage,
2 Your Honor.

3 THE COURT: Has there been in the process of
4 reexamination any claim construction opinion issued by
5 the Patent Office?

6 MR. ROBERTSON: No. Much to our frustration
7 there has not been, Your Honor, and most likely there's
8 not going to be. The Patent Office does not do that
9 during the course of a reexamination. In fact, there's
10 been a lot of back and forth as to how the claims
11 should be properly construed.

12 In fact, we have provided to the Patent
13 Office the prior constructions of both Judge Brinkema
14 and Judge Spencer and urged the Patent Office to help
15 us understand their view of the scope of the claims so
16 we can best apply and distinguish the prior art, and
17 they haven't done that for us. In fact --

18 THE COURT: So none of the three examinations
19 have produced a claim construction?

20 MR. ROBERTSON: No. And typically they
21 don't, Your Honor.

22 THE COURT: How you can you have a
23 reexamination without a claim construction? Why isn't
24 the result of reexamination a claim construction of
25 sorts?

1 MR. ROBERTSON: Well, it should be. For
2 example, some of the claim constructions are
3 means-plus-function constructions, which we'll be
4 discussing today that involve software implemented
5 processes. And there needs to be an algorithm
6 disclosed. And the examiner refuses to even identify
7 the algorithms that were issued. We're going to
8 provide them with what we believe are the proper
9 algorithms, and once we do that, we think the
10 reexamination should result in the claims being found
11 to be valid and patentable. But right now they don't
12 do it. That's not their process.

13 What you have to do as a patent owner is
14 essentially infer or intuit from their actions the way
15 that the examiner is treating the scope of the claims.

16 One of our frustrations, for example, you'll
17 see, Your Honor, is in the process some of the method
18 claims and some of the systems, you first build a
19 requisition for items that you want to purchase. And
20 then you generate from that requisition one or more
21 purchase orders.

22 There are clearly different elements of the
23 claim in the context of the claim. They use different
24 words. The examiner, from what we can tell, is
25 treating purchase orders the same as requisitions.

1 Again, like contract law, Your Honor, where
2 you use different words to mean different things, just
3 as in patent law shouldn't conflate different words and
4 different elements in the same claim even as meaning
5 the same things, and yet that's what we are running
6 into with regard --

7 THE COURT: What good is reexamination? I
8 mean, that's sort of Hornbook Law. Every first year
9 contract student knows that. Why on earth would you
10 even go through the reexamination process?

11 MR. ROBERTSON: Well, we didn't put our
12 patents in reexamination.

13 THE COURT: But, I mean, as the Patent
14 Office, why do they go through it if they can't -- are
15 they just staffed by inept people who don't know what
16 they're doing?

17 MR. ROBERTSON: The political environment now
18 is, Your Honor, is the policy is, with a whole new
19 office there conducting these reexaminations, is
20 everything goes through three examinations. The
21 examiners, essentially, in the first step find
22 everything non-patentable. Then it goes up years later
23 to the Board of Patent Appeals and Interference where
24 for the first time it's given closer scrutiny.

25 I just saw this week, as a matter of fact,

1 Your Honor, that the Patent Office announced that the
2 Board of Patent Appeals and Interference misplaced
3 4,000 electronic appeals that are presently before
4 them. They couldn't find them for a period of time.

5 So, yes, I think the wheels are broken over
6 there at the Patent Office, particularly with respect
7 to reexamination. You pay tens of thousands of
8 dollars. You go through your process. It takes years
9 to get your patent. And within literally days a
10 requester can come forward, file a fee, a very modest
11 fee, submit his request, and you have a 95 percent
12 chance that you're going back into reexamination. The
13 5 percent that don't go through are typically because
14 the reexamination of papers that the requester filed
15 were defective and therefore need to be refiled as did
16 happen in this case initially with respect to one of
17 the patents.

18 So, yes, Judge, we're as frustrated as I
19 sense that the Court is. But that's where we find
20 ourselves, Your Honor.

21 THE COURT: You don't even know my
22 frustration. I find that the fundamental approach to
23 patent construction and the basics of patent law have
24 gotten so convoluted from their origins and antecedent
25 development that it's really almost an exercise in

1 ridiculous reading and studying. We're to be engaged
2 in what amounts to a contract interpretation.

3 In what area of contract law are you not
4 allowed in interpreting a contract to consider the
5 contract as a whole and all of its terms and all of the
6 things there? What you're really trying to find out
7 from the invention is what did the inventor intend to
8 invent and say he was inventing. And yet you can't
9 consider most of what's important. But that's a topic
10 for another day and another forum.

11 Now we'll have to deal with what the rules
12 are as set forth in Phillips.

13 MR. ROBERTSON: I don't disagree with Your
14 Honor. I might just make one observation, though. You
15 don't want to penalize the patent applicant, the
16 inventors, for providing too much detail, too much
17 information. You want them to provide as much detail
18 as they can. But then you don't want to penalize them
19 for taking that detail and then importing it into and
20 rendering simple terms, to have all these bells and
21 whistles and baggage attached to it and just make it
22 more confusing.

23 THE COURT: No, that's not what happens.
24 What happens is people run off at the mouth in the
25 specifications and talk about things in the claims that

1 are different than in the specifications, and then you
2 get into litigation, and lawyers concoct entirely
3 different scenarios from what the real words actually
4 used 10 years ago or 20 years ago mean. That's what
5 the problem is. But we're dealing with it in the
6 framework that's been dictated to us. So that's what
7 we have to use.

8 Who is the person of ordinary skill in the
9 art at the time of filing? And how do I know who that
10 person is from your standpoint?

11 MR. ROBERTSON: Your Honor, I believe in the
12 past we've said it's somebody with probably a
13 bachelor's of science or equivalent in the computer
14 science, computer architecture, that probably has some
15 experience, perhaps one to two years in procurement,
16 electronic sourcing.

17 Does the patent expressly recite that? No.
18 But I think we've had experts in the past who have
19 looked at it and said that would be the person of
20 ordinary skill in the art. And that's pretty much what
21 we have with regard to the inventors that were involved
22 here.

23 There were four inventors. They were
24 employed by a company called Fisher Scientific in their
25 information and technology department. And they have

1 worked on a series of projects over a number of years
2 that are described in the background of the invention
3 to help manage Fisher Scientific's requisitions and
4 inventory. And then they struck upon this electronic
5 sourcing invention, which, as I say, is described in
6 the three patents.

7 THE COURT: Are you all in agreement about
8 who is the person of ordinary skill in the art? Do you
9 agree?

10 MR. McDONALD: I think Mr. Robertson
11 characterized it as generally how I would as well, Your
12 Honor.

13 THE COURT: But neither one of you, unless I
14 can't read, mention that in your papers.

15 MR. McDONALD: No. I think as we're using
16 the specification and intrinsic record here. Whether
17 somebody has two years of industry experience or eight
18 doesn't really move the answer to the questions. So I
19 don't think either one of us really focused on that.

20 THE COURT: How am I supposed to know how the
21 person of ordinary skill in the art would interpret the
22 words used in this patent without hearing from a person
23 of ordinary skill in the art?

24 MR. ROBERTSON: Well, Your Honor, with
25 respect --

1 THE COURT: How do I do that? Do you want to
2 help me with that?

3 MR. ROBERTSON: Sure. I think there are a
4 number of words, what I'll call the general terms, that
5 are in dispute here, Your Honor, that at least Lawson
6 contends are in dispute, that I think have the plain
7 and ordinary meaning divorced from the context of an
8 electronic sourcing system that we're talking about.

9 THE COURT: Where do we find those?

10 MR. ROBERTSON: Well, they are words that
11 anybody, any juror, is going to readily understand.

12 THE COURT: Do you understand "protocol"?

13 MR. ROBERTSON: I think --

14 THE COURT: Define it for me. Give me the
15 ordinary definition of "protocol."

16 MR. ROBERTSON: Well, we gave --

17 THE COURT: No, give me what you think it is.
18 Not what you're saying in your papers, but what you
19 think it is that the average juror would think of
20 "protocol."

21 MR. ROBERTSON: Well --

22 THE COURT: And where do you get that
23 definition?

24 MR. ROBERTSON: In the context of the claim,
25 Your Honor, it's talking about a selection of the

1 catalogs, and it's talking about how you refine that
2 selection of the catalogs, and it goes through the
3 steps that you do it.

4 THE COURT: So a protocol is a series of
5 steps?

6 MR. ROBERTSON: It is a series of steps, I
7 think, to achieve --

8 THE COURT: And you think the average juror
9 can understand that? Because the answer you gave me
10 first was these terms have meaning just generally in
11 the everyday world. Then you gave me an answer that
12 says, Well, if you look in the patent claim, that's
13 what it means. And those are really two quite
14 different things it seems to me.

15 MR. ROBERTSON: Well, "protocol" is probably
16 the best example for Your Honor to use, but "catalog,
17 order list, matching item to a search," I don't think
18 that's going to be too hard for a juror to intuit.

19 THE COURT: "Catalog," where do they get the
20 definition of "catalog"?

21 MR. ROBERTSON: Well --

22 THE COURT: And how is it going to play out?
23 You're going to argue it now. Tell me what you're
24 going to say about it. Ladies and gentlemen of the
25 jury, "catalog" means such and such. You're going to

1 argue that somewhere. How are you going to say that
2 and what are you going to use to prove your point to
3 that jury?

4 MR. ROBERTSON: Well, I'm not going to argue
5 the term "catalog." Hopefully, it's either defined by
6 the Court, and, therefore, they will have to abide by
7 the Court's construction of what the term is. I think
8 a juror who just went through the holiday season got
9 inundated by catalogs coming in, L. L. Bean catalogs
10 and Victoria Secret catalogs, and the Sears catalog.
11 Everybody who grows up knows and has a --

12 THE COURT: There's no reference to that in
13 the patent, is there? I looked for the Victoria Secret
14 reference and the L. L. Bean reference. They weren't
15 in there.

16 MR. ROBERTSON: There's no uniqueness to the
17 term "catalog" as used in this. It's an electronic
18 catalog. It's simply a catalog that has typical
19 attributes that a catalog has. It's got information,
20 an actual description about the good that is being
21 sold.

22 THE COURT: Well, is an electronic catalog --
23 if I go on the Joseph A. Bank's site and I want to look
24 at ties and their wares, and I've got suits and ties
25 and dress shirts and coats and that kind of thing. Is

1 that an electronic catalog?

2 MR. ROBERTSON: That's a catalog in the
3 electronic format, I would think. It's got a picture
4 of the item, for example. It typically does. It's got
5 at a description of it. It's probably got pricing
6 information. It might have a skew number. All of
7 those things are typical of catalogs, both electronic
8 and in printed published format.

9 That's the same use of the word both in
10 electronic format and the hard copy format, Your Honor.

11 THE COURT: Has the patent applicant served
12 as a lexicographer in either of these three patents?

13 MR. ROBERTSON: There may be instances, Your
14 Honor. I can give you a couple of examples if you'd
15 like.

16 THE COURT: Well, either they do serve as a
17 lexicographer or they don't. And under the law, that's
18 significant. And then you have to point me to where in
19 the patent they have in fact served as a lexicographer.
20 That serves a tremendous interest in claim
21 construction. So that's one thing you better focus on
22 right away. And neither one of you seem to talk about
23 that.

24 MR. ROBERTSON: Well, I think we did, Your
25 Honor, and to be fair -- do you have the prosecution

1 history? There are at least two terms, Your Honor,
2 that I think we specifically define - can you go to
3 page 11 of that, please - specifically define what a
4 term means.

5 And in fact when we presented that to Judge
6 Brinkema, Judge Brinkema adopted that as her claim
7 construction.

8 Your Honor, I do have a PowerPoint
9 presentation I'd like to pass out.

10 THE COURT: Well, pass it out.

11 MR. ROBERTSON: Thank you, Your Honor.

12 THE COURT: That's one thing I want you to
13 cover. If you're going to contend, either one of you,
14 that the applicant acted in any way as a lexicographer,
15 I want the page, column and line where that occurs and
16 what the term is so that I can understand what it is.

17 MR. ROBERTSON: Certainly, Judge. Two of the
18 claim terms that are at issue, that are claimed to be
19 disputed, were called "matching items" and "selected
20 matching items."

21 Again, in the context of the claims we don't
22 think that those require much construction. And our
23 concern is that it's just rife with mischief to start
24 taking simple terms and appending baggage onto them.

25 But during the prosecution history, at one

1 point in remarks and in response to an office action
2 the patent applicant actually said -- and this is set
3 forth on the slide, Your Honor. On the PowerPoint, I
4 might want to direct you to it. It is starting at page
5 25 and going over to page 26.

6 Let's go back to the prosecution history for
7 a minute. There you'll see the patent applicant said,
8 Matching items are the search results and selected
9 matching items are the requisition items.

10 And the patent owner made that representation
11 to the examiner for the purposes of responding to this
12 office action. And it would be perfectly fair, Your
13 Honor, for you, as a judge, to rely on that and to take
14 the patent applicant's representation as his word. The
15 examiner relied on it and the prosecution went forward
16 resulting in the patent.

17 THE COURT: Matching items and what's the
18 other one?

19 MR. ROBERTSON: Selected matching items, sir.

20 THE COURT: And selected matching items are
21 what?

22 MR. ROBERTSON: They are the requisition
23 items. And we presented that to Judge Brinkema and
24 Judge Brinkema adopted those constructions. So I think
25 also as part of uniformity and consistency, which is

1 one of the objectives of the Markman procedure, it
2 would be perfectly appropriate for the Court to adopt
3 those constructions if the Court determines a
4 construction is necessary.

5 Let me go on to say, Your Honor, while I'm on
6 that point about the prior constructions, as you know,
7 this case was tried both before Judge Brinkema and
8 Judge Spencer. There are what I'll call the general
9 terms and there are what I'll call these
10 means-plus-function terms, which I'll admit are a
11 little more thorny, and we have to get to them because
12 you need to look at corresponding structure and
13 specification under the statute.

14 But I think, and the Court raised this
15 initially in one of our pretrials, that it would be
16 perfectly appropriate given the fact that there have
17 been two preeminent judges in this district who have
18 examined these general terms, and to the extent they
19 were at issue in Judge Brinkema's case or to the extent
20 those general terms were at issue in Judges Spencer's
21 case and they were decided, that we should not need to
22 have to revisit those. And there are a number of those
23 terms that have been decided.

24 In fact, it's nicely set forth in an appendix
25 to the defendant's opening brief with the exhibits. We

1 provided you with jury instructions. We provided you
2 with --

3 THE COURT: So you agree that I can take all
4 of the prior constructions of Judge Brinkema in the --
5 what is it? The Ariba case?

6 MR. ROBERTSON: In the Ariba case, Your
7 Honor.

8 THE COURT: -- and Judge Spencer in the SAP
9 case and use those?

10 MR. ROBERTSON: To the extent they are in
11 dispute in this case. There are some claims terms that
12 were in dispute, and those claims are no longer in
13 dispute in this case. Let me just say with one caveat,
14 Your Honor. And this is just Judge Spencer actually
15 was presented with defining "matching items" and
16 "selected matching items," and he did not define
17 "selected matching items," but he actually gave a
18 construction that was really more for "matching items."

19 Now, Judge Brinkema used these terms right
20 here as defined by the prosecution history and as
21 represented by the patent applicant accepted by the
22 examiner. So I would say that those are correct. But
23 just subject to that, anything that Judge Spencer and
24 Judge Brinkema did that are at issue here we would live
25 with except for that one matching items.

1 THE COURT: How many of the terms does that
2 eliminate?

3 MR. ROBERTSON: I think -- let me do it this
4 way. I think what it leaves --

5 THE COURT: Or how many does it leave?

6 MR. ROBERTSON: Again, I'm keeping the
7 general terms to one side and leaving these
8 means-plus-function terms aside because we do, as
9 you'll see, you may have read from the papers, take
10 issue with Judge Spencer's means-plus-function claims,
11 which he vacated after that trial.

12 But the general terms, I think the ones that
13 are left, I was just asking this on the ride over,
14 was -- it will be subset, protocol, order list, and I
15 think that's it. So it does take out of the 11 general
16 terms that are in dispute here or that's contended to
17 be in dispute by Lawson, that leaves three, Your Honor.

18 I think "order list" is a list of stuff you
19 want to order. I don't really know why we're all
20 haggling over that.

21 "Protocol," Your Honor raises a good point.
22 Perhaps that needs a construction.

23 THE COURT: Did you know that a protocol
24 before you got into this case was the preamble to a
25 paper roll?

1 MR. ROBERTSON: I knew that when I looked it
2 up in Webster's Dictionary.

3 THE COURT: You get down to what I understand
4 a protocol to mean about the fifth definition.

5 MR. ROBERTSON: I think that's right, Your
6 Honor.

7 Ironically, we both point to a very similar
8 dictionary definition. When we go to a dictionary
9 definition, we get down to the fifth definition, I
10 think we both arrive at something that is so similar we
11 could almost live with it if Your Honor is so inclined
12 to construe the term "protocol."

13 What I don't want it defined as is a
14 procedure because all that is is an effort to rewrite
15 the claim. I, quite frankly, don't understand why
16 protocol should mean procedure.

17 THE COURT: Why would you object to that
18 because the fact of the matter is if you read all of
19 the claim construction law, and if you look at a lot of
20 the claim construction opinions, all the claim
21 construction opinions do is rewrite the claims, and
22 that's what is sort of silly about the whole process is
23 these people go through the use of all of the terms,
24 and they go through a process to describe them. And
25 then we come in after they use language, and we say,

1 Well, that really means this. And some of the
2 that-really-means-this comes out to be some of the most
3 bizarre twisting of what people have actually said in
4 the patent process that you can envision.

5 So what you're really doing is asking for a
6 rewrite of the patent.

7 MR. ROBERTSON: I'm not, Your Honor. I'm was
8 just asking to use the term "protocol."

9 THE COURT: Which definition of "protocol" do
10 you want me to use? Which one do you think you all are
11 so close on it doesn't make any difference if I choose
12 one or the other?

13 MR. ROBERTSON: Just give me a moment, Your
14 Honor. I don't have it exactly committed to memory.

15 THE COURT: You don't? Not with all this you
16 don't have it committed to memory?

17 MR. ROBERTSON: No, sir.

18 THE COURT: Good. It makes me feel better.

19 MR. ROBERTSON: I think I saw it in both
20 responsive briefs. The defendants rely on a term that
21 says a set of conventions governing the treatment and
22 especially the formatting of data in an electronic
23 communication system. And I think our initial brief
24 with respect to "protocol," Your Honor, said -- it was
25 the Webster's New World Dictionary -- that it's a set

1 of rules governing communication and transfer of data
2 between machines as in a computer system.

3 And I believe you're right. I believe that
4 was about the fifth definition of "protocol" in
5 Webster's when we got to it.

6 Quite frankly, Your Honor, I don't know the
7 answer to your question as to what is the problem with
8 "procedure." I don't understand why they need to
9 substitute "procedure" with "protocol" other than --
10 because I don't understand their argument as to why
11 that needs to be because they don't ever really give a
12 reason why that is better other than to look at the
13 claim itself, read the word "protocol," and say,
14 "That's a procedure."

15 THE COURT: How does it hurt to define it as
16 a procedure? You say in your briefs that if I do what
17 they want to do, that's just granting summary judgment.
18 Is that going to happen if I define protocol as
19 procedure? Is that what they are trying to do?

20 MR. ROBERTSON: I think in many instances,
21 obviously, that's why --

22 THE COURT: How about procedure?

23 MR. ROBERTSON: I don't know the answer
24 honestly, Judge, with respect to procedure. I don't
25 know why they want that, but I would not -- I'd be

1 surprised if there was not a non-infringement argument
2 that ultimately spun out of it.

3 THE COURT: But to you doesn't "protocol"
4 mean to you procedure just in the ordinary way you use
5 it? It's the way you do something. It's a
6 standardized set way of doing something. And that's a
7 procedure. And you have a protocol so that you know
8 what the rules are for following.

9 In the computer field, it's generally defined
10 as a set of rules for communications within the
11 computer communication system, isn't it?

12 MR. ROBERTSON: Your Honor, I'm just looking
13 at it in the context of the claim. It's talking about
14 a catalog selection protocol. So I suppose if I
15 substituted a catalog selection procedure, would I be
16 doing much harm to the claim?

17 THE COURT: Suppose I extract from them a
18 promise that it won't be a basis for non-infringement,
19 do you think we could all agree that "protocol" is a
20 procedure so the jury could understand what we're
21 talking about?

22 MR. ROBERTSON: I'll accept that, Your Honor.

23 THE COURT: All right. Promise?

24 MR. McDONALD: Yes, Your Honor. I didn't get
25 a chance as to why we wanted to distinguish it, but

1 that can wait until later.

2 THE COURT: He wants to hear it, and I do,
3 too. So we'll see. Just keep that on the burner. So
4 it looks like to me we have an agreement on that, too.

5 Why don't you go ahead now and proceed in the
6 fashion that you'd like to proceed since I've
7 interrupted about 37 times.

8 MR. ROBERTSON: Your Honor, I think it just
9 might be helpful if I just give a little bit of the
10 background in context of the inventions and their
11 development. I'll try to be brief as far as that.

12 But as Your Honor understands, the patents
13 are directed to this electronic sourcing systems and
14 methods of doing things. I know Your Honor has been on
15 the bench a number of years. I first appeared before
16 you in a patent case about 15 years ago. And I've been
17 in front of you on three other patents cases since
18 then.

19 So I understand that Your Honor understands
20 basic claim construction principles and certainly your
21 frustration with them in the Federal Circuit. The
22 Federal Circuit is trying to come around, though.

23 THE COURT: They are doing a lot better job
24 telling us what to do than they used to.

25 MR. ROBERTSON: Yeah. Apparently they think

1 they can tell the Supreme Court what to do as well from
2 what I hear.

3 THE COURT: Be careful. You may have to be
4 arguing up there in front of them.

5 MR. ROBERTSON: I will.

6 THE COURT: And if it's in this case, I can
7 tell you that line will get into a brief somewhere.

8 Well, they are stuck and hamstrung with a lot
9 of antecedent old doctrines, too, that probably are
10 hard to deal with. But anyway, go ahead.

11 MR. ROBERTSON: One of the things they're
12 doing now, though, Your Honor, with respect to general
13 claim construction principles is they are recognizing
14 that people are fighting more and more often over what
15 the definition of "is" is.

16 So there's a number of case law now that's
17 coming out that's saying, Look, you don't need to just
18 rewrite claims. If only those terms need to be
19 construed that are in controversy and only to the
20 extent necessary to resolve the controversy. Even
21 Phillips said, Ordinary meaning of claim element
22 involves often little more than the application of
23 widely-accepted meaning of commonly understood words.

24 So when we get to something like "order
25 list," Your Honor, we would be urging that that is

1 something that is readily understood. "Protocol," I
2 think Your Honor makes a good point.

3 With "catalog," let me just address that.

4 THE COURT: All right. Where are we going
5 now? Catalog?

6 MR. ROBERTSON: Let me direct you to page 14
7 of the PowerPoint.

8 THE COURT: Okay.

9 MR. ROBERTSON: Judge Brinkema did not
10 construe the term "catalog." It wasn't at issue with
11 respect to the Ariba case. Judge Spencer did. We
12 believe our construction is consistent with Judge
13 Spencer. In fact, it's identical to Judge Spencer
14 except -- let me direct you right to what is is. We
15 actually included the word "typically" includes in
16 there. "Typically" meaning you usual expect to find it
17 in a catalog.

18 What I don't want to have happen, Your Honor,
19 is the argument being made that you always need to have
20 such a requirement. So, for example, Your Honor, if I
21 have a catalog that has a thousand items and 900 have
22 pictures, but 100 don't because it says something like
23 "picture unavailable" or "picture not depicted," I
24 don't want to hear an argument like I did in SAP that
25 that's not a catalog.

1 THE COURT: They better not make that
2 argument here.

3 MR. ROBERTSON: That's why we included the
4 term "typically" if this requires construction.

5 "Catalog" is an interesting thing because
6 everyone sort of knows what it is, but when you sit
7 down and you have to define what it is, it doesn't lend
8 itself readily to definition. It's one of those
9 things, it's one of those words that you sort of know
10 it when you see it. I know what a catalog is. I can
11 look at that. And if you put it in front of a jury, 99
12 times out of 100 they are going to go, That's a
13 catalog.

14 Then if you have to say, What are its
15 attributes, you would say, Well, it typically has these
16 things, but it doesn't always have to have these
17 things.

18 What is Lawson doing here? First of all, I
19 think, you know, it's requiring images. But if they
20 want to give me a representation that they won't make a
21 non-infringement argument out of that, I could live
22 with it.

23 It says here that it has to be published by a
24 vendor. So they have imported that into the
25 limitation. There are examples and I can show them to

1 Your Honor in the patent where there are catalogs
2 published by suppliers, published by distributors.

3 THE COURT: What's the difference between a
4 supplier and a vendor and a distributor and a vendor?

5 MR. ROBERTSON: Well, there are also
6 manufacturer catalogs that are in there.

7 THE COURT: What's the difference?

8 MR. ROBERTSON: A manufacturer may not be
9 actually selling the goods. A supplier or distributor
10 may be selling other vendor goods. Typically, like in
11 the Fisher Scientific situation, Fisher Scientific was
12 a distributor of other manufacturers and other vendors'
13 goods. They sold test tubes and beakers and pipettes
14 and syringes and laboratory equipment, test kits for
15 hospitals. They rarely made anything or manufactured
16 anything themselves.

17 So to take and import vendor catalog would, I
18 think, is inserted in there to give this defendant a
19 non-infringement argument. Why? What they do is they
20 compile catalogs from a variety of different sources.
21 They sometimes do, and what some of the evidence would
22 show is they will take an old system in which someone
23 has a database of catalog items, and they will transfer
24 that - it's called a legacy system because it's their
25 old system - to their new system, and import that data

1 into the new database they are going to use.

2 Is that a vendor catalog? It's got catalog
3 data. Why does it have to be from a vendor,
4 particularly when the patent points out it can be from
5 so many different sources such as distributors and
6 manufacturers?

7 So I think that would be proper to import
8 that term.

9 THE COURT: You agree with his definition
10 now, don't you, after you have read the briefs?

11 MR. McDONALD: No, Your Honor.

12 THE COURT: Why not? I mean, really and
13 truly, there's no basis for the limitation of a vendor
14 that I can find because they do -- I think it's time
15 for you all to sort of really come to reason and
16 rationality. They talk about all kinds of third
17 parties, manufacturers, suppliers, distributors. Some
18 of whom sell. Some vend. Some of whom don't. And it
19 doesn't appear in the claim language. So why do we
20 have to bring that in or why do we have to spend any
21 more time arguing other than you saying something like
22 this: You know, after having read their briefs, I
23 think we can live with that. How about that?

24 MR. McDONALD: The patent itself, Your Honor,
25 does talk about vendors and that is the --

1 THE COURT: It talks about vendors, but it
2 doesn't limit it to vendors and you're trying to limit
3 it.

4 MR. McDONALD: But when the invention itself,
5 though, is so focused on this concept of the new thing
6 using this catalog database with this large volume of
7 information --

8 THE COURT: See, that's what I'm saying. You
9 shouldn't be making arguments like that. That's what
10 I'm saying. You're arguing about how many angels can
11 stand on the head of a pin. And there's no real merit
12 to it. And it's the kind of thing that obscures the
13 ability of courts to efficiently process patent cases.

14 I really think in making your arguments, both
15 of you need to be facing the fact that -- face this
16 fact: That if, in fact, I make a claim determination,
17 and I later find that what it is is a sneaky way to get
18 a summary judgment in, I may reconstrue the claim in
19 the summary judgment process because I'm not going
20 to -- this is one of the reasons why often I find that
21 it's important to have the claim construction and the
22 summary judgment proceed apace, and I may in fact just
23 do that in this case. Holding everything until I see
24 your summary judgment motions. But I really think that
25 there has come to be this approach to claim

1 construction that it is a "gotcha" for summary judgment
2 instead of being what it was intended to be. And what
3 it was intended to be is where there really are genuine
4 ambiguities in a patent, let's get a construction and
5 live with it.

6 And sometimes that's going to result in
7 summary judgment and sometimes it's not. And now claim
8 construction is becoming a way to try to structure and
9 rewrite claims in such a way as to get a summary
10 judgment. And I want you to stop it. Okay.

11 MR. ROBERTSON: Just for record, I was
12 referencing the '683 Patent at column 4, lines 46 to
13 60, where all those different supplier, manufacturer or
14 vendor catalogs are described. Of course, Fisher
15 Scientific was --

16 THE COURT: Where is it?

17 MR. ROBERTSON: Do you have that column?

18 THE COURT: '683?

19 MR. ROBERTSON: Column 4, 46 to 60, for
20 example. There are other examples that we gave in the
21 brief. But here you are, Judge, we're talking about
22 distributor catalogs, suppliers, manufacturers, other
23 distributors listing vendor products.

24 With that I'd like to move on from "catalog"
25 unless you have any other questions with respect to

1 that.

2 THE COURT: Okay.

3 MR. ROBERTSON: And the next one I want to
4 discuss is "subset." I'd like to try and achieve
5 resolution of these things as much as we can by
6 agreement. The dispute we're having here is, you know,
7 Lawson's proposed construction simply says it's less
8 than all the set first, and technically the definition
9 of a subset can mean all or less than all.

10 There are examples, Your Honor --

11 THE COURT: I'm having trouble. Why is a
12 subset all as opposed to less than all? Typically, if
13 you have a set, it consists of some kind of grouping of
14 some kind. And a subset includes something less than
15 that as a general proposition. I'm having trouble
16 understanding because your definition suggests that a
17 subset and set are the same thing and that can't be
18 what it means.

19 MR. ROBERTSON: Well, actually, Your Honor,
20 to go to most every dictionary definition, including
21 the ones that we have cited, the definition is --

22 THE COURT: You can't use dictionaries.

23 MR. ROBERTSON: Well, certainly you can, Your
24 Honor, if the word is not used -- if the word is used
25 in its ordinary context. Phillips says, you know, if

1 the word is not used out of its ordinary context, that
2 a dictionary definition is completely appropriate to
3 show that it's not being used as their own
4 lexicographer.

5 But let me see if I can save you some trouble
6 here, Your Honor. In the context that I think this
7 term is being used, again in the term of a claim, they
8 are talking about a selection process that is less than
9 all of the catalogs to be selected. And that's from
10 the claim itself.

11 And so if we're going to use it consistently
12 in that claim, it can be less than all in that context.
13 Again, Your Honor, I'm concerned about some other
14 stealth summary judgment argument that I may have not
15 appreciated. But in that term, a subset, if in fact
16 the Court thinks it needs further deconstruction and
17 it's for that claim 1 or claim 29 of the '516 Patent,
18 it is talking less than all.

19 There are other claims, Your Honor, that talk
20 about searching among the selected product catalogs,
21 and you have to have -- the patent makes clear you have
22 to have two or more catalogs. That was one of the
23 advantages of the invention. If you were searching
24 perhaps multiple catalogs, as many as you wanted, two
25 or more.

1 And you'll see arguments made by Lawson that
2 you always need to search two or more. The patent
3 makes clear in several instances that you can even
4 search one or you can search all of the catalogs and
5 that satisfies searching among the selected product
6 catalogs.

7 THE COURT: What's that got to do with
8 subsets, though?

9 MR. ROBERTSON: Well, I would hate to hear
10 later that a subset means it has to be less than all in
11 the context of those claims when --

12 THE COURT: That's an entirely different
13 language question, isn't it?

14 MR. ROBERTSON: I would hope so, Your Honor.

15 THE COURT: I think it is. I understand your
16 point, but if they make that argument, I think that you
17 could run up your frivolous semafore.

18 MR. ROBERTSON: The only other point I would
19 make with respect to this term "subset," Your Honor, is
20 that they also include in its definition that it has to
21 be less than all of a set of selectable items.

22 Now, you look at the claim. So they have
23 added this selectable items language to the word
24 "subset." Now, I don't think anybody would think of
25 selectable -- Your Honor said you would think it's less

1 than all, but it wouldn't come immediately to mind it
2 would be of selectable items. And that's at page 17.

3 THE COURT: It's less than all of the set,
4 whatever the set is.

5 MR. ROBERTSON: I think if you stop there,
6 Your Honor, you don't import the selectable items
7 because in the context of the claim -- I might just
8 mention claim 1 and claim 29 --

9 THE COURT: Wait a minute. We may have
10 agreement.

11 MR. McDONALD: Yes, Your Honor, I think we
12 can live with that, if we just said less than all of a
13 set, we would be willing to drop the of selectable
14 items part.

15 MR. ROBERTSON: That's fine. I do fear
16 stealth summary judgment with this, but --

17 MR. McDONALD: Did ePlus agree with that,
18 Your Honor? I didn't hear.

19 THE COURT: I haven't heard yet because he
20 was talking, and I made the unfortunate mistake of
21 talking over him.

22 MR. ROBERTSON: I apologize, Your Honor.

23 THE COURT: You shouldn't apologize for what
24 I did wrong. But, look, if you want to get into that,
25 get on over there and give my wife some instructions,

1 will you? Because I'd like to have that happen.

2 All right. So you-all agree with less than
3 all of a set?

4 MR. ROBERTSON: Yes, sir.

5 THE COURT: Period. Okay. I'm not sure it
6 needs definition, but if that's what it is, we can do
7 that. Okay.

8 MR. ROBERTSON: The next then -- I can move
9 on, Your Honor?

10 THE COURT: Yes.

11 MR. ROBERTSON: Let's talk about order list.
12 Order list is at page 19 of our slide. Again, Your
13 Honor, in the context of the claim, we think that
14 "order list" really is one of those that does not need
15 to be construed, but to the extent that the Court
16 thinks it is, we'd also say it's the list of items that
17 you're going to order.

18 THE COURT: What is the difference between
19 that and an order list? It's got a few more words in
20 it. That's all. In other words, you're making a point
21 that it's the ordinary meaning of the word?

22 MR. ROBERTSON: Yes.

23 THE COURT: What is the significance, do you
24 believe, of the defendant's construction: A list of
25 items derived from a list of selected matching items?

1 MR. ROBERTSON: Again, Your Honor, I wish I
2 knew. The patent has examples. They are not lists of
3 the selected matching items.

4 THE COURT: Suppose you make a list of items
5 that are derived from a list of selected matching items
6 but you ultimately decided not to order them?

7 MR. ROBERTSON: The specification talks
8 exactly about that.

9 THE COURT: Yeah, and the order list is what
10 you order, what you actually order, right?

11 MR. ROBERTSON: Well, you may have if you
12 turn to page 21.

13 THE COURT: Of?

14 MR. ROBERTSON: Page 21 of the PowerPoint,
15 Your Honor. Here's an example where you're doing the
16 search and the user may also add additional items to
17 the order list whether those additional items were
18 selected from the hit list or not. And that hit list
19 is the results you get back from your search.

20 So my point is when the specification
21 makes --

22 THE COURT: Well, I can search and find "hit
23 list," and then I can go and say in addition to my ties
24 and my shirts, I want to buy some socks. I'm not going
25 to do that same search because I didn't put "socks" in

1 my search. I go find another list and say "I want the
2 socks," and I transport that over to my order list.
3 And now I've got something that didn't come from the
4 search at all.

5 MR. ROBERTSON: Exactly or from the items
6 that you selected from the search.

7 THE COURT: Yeah.

8 MR. ROBERTSON: That's a perfect example of
9 what's happening there, and it can happen in a variety
10 of ways. So why, again, import this element that says
11 it has to be from the selected matching items when it
12 doesn't have to be a result of the search or the
13 selection. That's our point with respect to that, Your
14 Honor, and I'll move on if you'd like.

15 THE COURT: You go right ahead. I think what
16 I'm going to do is take these specific terms, and then
17 we'll take a break, and then we can do the
18 means-plus-function. We'll see how far we get with it.

19 MR. ROBERTSON: Sure, Your Honor.

20 The next one in the slide is "protocol," but
21 I think we've actually --

22 THE COURT: I don't know that we did.

23 MR. ROBERTSON: -- addressed that.

24 THE COURT: Where have we gotten on
25 "protocol"?

1 MR. ROBERTSON: I thought we had agreement
2 that it could be a procedure as long as it's not going
3 to form the basis of a non-infringement argument.

4 THE COURT: And he said it's not. You said
5 it's not, right?

6 MR. McDONALD: That's right, Your Honor.

7 THE COURT: Okay. All right. So we do.
8 Thank you. Appreciate it, gentlemen.

9 The next one is what did you say?

10 MR. ROBERTSON: Sir, it's at page 25 of the
11 PowerPoint. It's "matching items." You may recall I
12 indicated that Judge Brinkema construed this and that
13 she construed it to be the search results. And that
14 that came from the prosecution history where I would
15 suggest that the patent owner was his own
16 lexicographer. And that it was accepted by the
17 examiner, and that the patent issued reliance on it,
18 and we shouldn't be found now to suggest that it is
19 something different than what we did for purposes of
20 allowance of the patent.

21 THE COURT: Where is his lexicography found?

22 MR. ROBERTSON: In the prosecution history.
23 It is Exhibit 22.

24 THE COURT: What is it?

25 MR. ROBERTSON: It's Exhibit 22 to the

1 supplemental Young declaration. It is at page 11.

2 It's now on your screen again, Your Honor.

3 THE COURT: Just one minute. I want to write
4 it down. All right. Let me see.

5 That's the prosecution history, right?

6 MR. ROBERTSON: Yes, Your Honor. I think
7 it's used consistently in the context in the
8 specification and it's consistent with the claims.
9 Again, Your Honor, I don't think matching items in the
10 context of these claims is something that would not be
11 readily understood by the jurors, but if the Court
12 thinks it requires construction, we would submit that's
13 the proper construction.

14 THE COURT: Okay.

15 MR. ROBERTSON: The reason that we think
16 Lawson's proposed construction is incorrect is because
17 it requires that it be a user-entered search criteria.
18 And there are examples in the patent where there are
19 not user-generated results. In fact, not even
20 searches. That the system itself can provide you with,
21 for example, matching items to things that were readily
22 ordered or things that were -- perhaps inventory drops
23 down low and the system automatically requisitions.

24 There's an example, I believe, in the
25 specification using the '683 Patent at column 566 over

1 to column 6, line 33. Why don't we just --

2 THE COURT: In the '683?

3 MR. ROBERTSON: Yes, Your Honor, which is
4 Exhibit 1 attached to our handout here. This
5 PowerPoint. Just so Your Honor knows, let me just
6 backtrack a little bit and tell you this handout has as
7 Tab A all of the 13 claims that are being asserted here
8 just for ease of reference.

9 At Tab B there are the claim terms themselves
10 and ePlus's proposed constructions side by side with
11 Lawson's proposed constructions for ease of reference.
12 And Tabs 1 through 3 are the patents. And we've
13 actually highlighted in there the claims that are at
14 issue.

15 THE COURT: And you're saying that column 5,
16 line 33 --

17 MR. ROBERTSON: Line 66, Your Honor, over to
18 column 6, line 13 there's a discussion, for example --

19 THE COURT: The data passed by interface?

20 MR. ROBERTSON: Yes, Your Honor. The
21 specific language I wanted to focus on, we're talking
22 about filling in fields of different information with
23 respect to the search, and it says here these fields
24 may be filled by the requisition purchasing system
25 prior to requesting a search of the catalog database by

1 the search program. So you can actually fill these
2 fields in, fill this information in, without actually
3 even doing a search.

4 THE COURT: An example of that is something
5 when you go on and order something and it says, "Other
6 items ordered by people who ordered this appear below"
7 or "We're out of inventory and here are some items that
8 serve the same function that you might want to look at"
9 or is that user-generated?

10 MR. ROBERTSON: No, I think the system
11 generates that response to the user-entered criteria.
12 You specify you want a particular type of hunting boots
13 and they are perhaps out of stock. And what you are
14 suggesting is they say you may also be interested in
15 this. I think that's an example of the system --

16 THE COURT: For people who order these short
17 boots or who looked at these short boots also looked at
18 the wading boots?

19 MR. ROBERTSON: Yeah. I'm not sure that was
20 actually contemplated 16 years ago when the inventors
21 did this, but what this is showing is that the system
22 has the capability of entering in default information
23 in fields that are not user-generated. And so the
24 mischief, I think, of Lawson's construction is they
25 want to in every instance include a user-entered search

1 criteria requirement.

2 Now, are most of these searches done by users
3 and user-generated criteria? Absolutely. But I don't
4 think in matching items, you need to import that,
5 particularly when the patent owner represented it was
6 simply search results, and the examiner accepted that
7 construction, and Judge Brinkema did as well.

8 So with that, Your Honor, I would move on to
9 "selected matching items."

10 THE COURT: That's another one where the
11 patent owner served as his lexicographer, you said?

12 MR. ROBERTSON: I think that's a fair
13 characterization.

14 THE COURT: Where does the lexicography
15 appear in the patent?

16 MR. ROBERTSON: Well, again, Your Honor, it's
17 in the prosecution history.

18 THE COURT: Excuse me. I mean in the
19 prosecution history.

20 MR. ROBERTSON: It was right after that
21 citation. Again, it's Exhibit 22 to the Young
22 declaration. It's at page 11 in response to an office
23 action. And, again, it's a construction adopted by
24 Judge Brinkema.

25 I just might mention, remember, this was the

1 one I mentioned there was a slight hiccup with respect
2 to Judge Spencer's construction.

3 THE COURT: Hold on one minute before you get
4 into that, sir.

5 MR. ROBERTSON: Sure, sir.

6 THE COURT: Okay. All right. Excuse me. Go
7 ahead.

8 MR. ROBERTSON: Yes, sir. There was a slight
9 hiccup with respect to this in Judge Spencer's
10 construction. He actually used the definition of
11 "selected matching items" for "matching items," and I
12 just think he just conflated the two. We really don't
13 know what his motivation was, but I respectfully
14 suggest that that was wrong because a matching item is
15 not necessarily one you're going to select for a
16 requisition or an order list.

17 So we did -- I'm on page 27, Your Honor, of
18 our slides here. Again, we suggested that this didn't
19 require construction, but to the extent the Court
20 thought it did, we put there are items returned in
21 search results that satisfy search criteria and are
22 selected for inclusion in an order list or in a
23 requisition. I think that distilled down to its
24 essence, that's a requisition item. And so, therefore,
25 I withdraw that alternative, and I would live with

1 Judge Brinkema's and the specification history.

2 I think the mischief of Lawson's proposed
3 construction is that it requires to be selected by a
4 user again in the search program, and that it be used
5 for inclusion in an order list. And, again, we think
6 it does not necessarily need to be in an order list
7 because there are examples where it is not included
8 necessarily in an order list because it could be
9 included simply as a selected matching item in a
10 requisition before being ordered.

11 It could be in an order list in addition to a
12 requisition, which I'm being reminded of because
13 actually claim 1 of the '172 Patent says that it is
14 actually selected for an order list, but the claim
15 expressly states that. So by implication, if there are
16 claims that don't state it, it can be included in an
17 order list.

18 THE COURT: Does that mean that we have one
19 definition for one claim and another definition for
20 another claim?

21 MR. ROBERTSON: That means when you add
22 additional language to a claim that further limits, it
23 should be read that way, and when there's a claim that
24 doesn't have that language in it, it shouldn't be so
25 limited.

1 THE COURT: I guess what I'm saying is for
2 claim -- let's see. This is in claim 3, 26, 28 and 29
3 of the '683. It's one definition for that, and it's a
4 different definition when it's used in claim 1 of the
5 '172 Patent. Is that what you're saying or not?

6 MR. ROBERTSON: That's not what I'm saying,
7 sir. I'm saying the '172 Patent actually expressly
8 states that it is selected matching items for an order
9 list. Expressly has that language in it.

10 So by implication when it doesn't use that
11 language in the '683 Patent, it shouldn't be so limited
12 to an order list.

13 THE COURT: Yes, I understand that, but for
14 the '172 Patent, does it have to include as part of the
15 definition for inclusion in the order list?

16 MR. ROBERTSON: No, sir.

17 THE COURT: In getting the claim '172 term.

18 MR. ROBERTSON: No, sir, because in that
19 sense it would be redundant. It would say selected
20 matching items for an order list to be included in an
21 order list.

22 THE COURT: Means. And then you'd repeat the
23 same thing.

24 MR. ROBERTSON: Yes, sir.

25 THE COURT: Okay. I see.

1 She didn't like that. Maybe you want to go
2 back there and see why she shook her head. She got
3 exercised over that.

4 MR. ROBERTSON: The point is, Your Honor,
5 it's requisition items, and that was what was in the
6 prosecution. That's what Judge Brinkema found. That
7 should be sufficient.

8 So what I was doing was I was withdrawing my
9 alternative instruction in here and just trying to
10 point out why Lawson's was not correct.

11 THE COURT: We'll go with Ariba in the
12 prosecution claim. All right.

13 MR. ROBERTSON: We've moved on to -- there's
14 another term that they want construed, which is
15 "searching for matching items among the selected
16 product catalogs." This was not construed by Judge
17 Brinkema or Judge Spencer. And I'm kind of at a loss
18 to understand why we need to do it because we have
19 construed "matching item," we've construed "searching
20 selected matching items." Now they want search
21 selected product catalogs to locate items in response
22 again to this user-entered search criteria, which I
23 don't think is necessary. And I think also there's a
24 suggestion --

25 THE COURT: Is the real difference the

1 user-entered?

2 MR. ROBERTSON: I think it's being imported
3 into --

4 THE COURT: I know, I'm sorry, but is that
5 the real difference between the definition you agree
6 and they won't?

7 MR. ROBERTSON: We basically say that
8 searching for matching items among the selected product
9 catalogs doesn't --

10 THE COURT: Needs nothing.

11 MR. ROBERTSON: Needs nothings, sir,
12 especially after you've already defined matching items.

13 And the only other thing I can point to here
14 that makes me scratch my head a little, Your Honor, is
15 this plural where you have to search for a plurality of
16 catalogs. And this is going to come up later, but
17 there are examples in the specification where you may
18 search against a specific catalog or you may search all
19 of the catalogs.

20 So I'm not quite sure if that's what they are
21 getting at here. If your Honor would like to see an
22 example of it I can show you in the '683 Patent. I'll
23 just state for the record at column 6, lines 11 to
24 13 --

25 THE COURT: 11 to 13?

1 MR. ROBERTSON: Yes, sir. There is an
2 example of executing a first search against a specific
3 catalog contained in the catalog database. That's on
4 your screen right there. This argument does come up
5 again, Your Honor. Remember, Lawson has repeatedly
6 said that you need to search at least two catalogs, and
7 it's our position that you need to have two catalogs,
8 but when you're searching among just two, you may
9 search among just one and select it.

10 Again, here's an example, and there are
11 others in which you're just searching against a
12 specific catalog in a catalog database that may contain
13 multiple catalogs.

14 So I would respectfully suggest, Your Honor,
15 that that is probably one given the fact that you have
16 already construed or will be construing "matching
17 items" should you so decide that is unnecessary to
18 construe.

19 I can move on now, Your Honor, to this
20 cross-reference table, which is at page 31 of the
21 constructions. Now, again, I think cross-reference
22 isn't used in any unusual way here, Your Honor. What
23 really is going on is the inventors decided to have in
24 a computer context items from vendor, suppliers, or
25 other sources cross-referenced with items that may be

1 replacement items, may be similar items, or may be
2 generally equivalent items from other vendors,
3 suppliers or sources. And the way they could do that,
4 the examples in the patents are, is they used
5 identification codes. It could be a part number. It
6 could be a catalog number. It could be some arbitrary
7 number that was developed just to do the
8 cross-referencing.

9 Cross-referencing can be one-to-one
10 cross-referencing such as product A is cross-referenced
11 to link it to product B or, for example, could be
12 one-to-two. Say product A is equivalent to Code C and
13 Product B is equivalent to Code C. So Product A is
14 equivalent to Product B just by way of example.

15 But the problem I have with Lawson's
16 construction here is, first, it requires it be a
17 catalog number if you see there on page 31. Secondly,
18 it has to be between vendors. And we talked about the
19 fact that there are other providers of goods and
20 services besides just vendors such as distributors.

21 It then requires that these catalog numbers,
22 which is included in this construction by vendors, be
23 determined by a distributor. So there has to be some
24 distributor determination that they are equivalent.

25 So why is that --

1 THE COURT: How would that happen? How would
2 it be determined by the distributor? I mean, without
3 the interface with some other computer system. Or I
4 guess you'd have to find something in the database
5 where a distributor had made a determination of
6 equivalency.

7 MR. ROBERTSON: Well, one, we think reading
8 in the requirement of equivalents is not called for.
9 Reading in a requirement that is determined by a
10 distributor. It could be anybody theoretically that
11 creates a cross-reference table.

12 I'll give you an example of how it occurs now
13 in the real world if this helps. There are
14 codification schemes that people have created. In
15 fact, there's one classic one that's used by Lawson.
16 It's been used by Ariba. It's been used by SAP. And
17 it's used by my client, ePlus. It's a coding system
18 called the UNSPSC, which stands for United Nations
19 Standardized Products and Services Code. It was
20 originally created to be able to categorize goods for
21 purposes of tariffs and taxes among the various
22 countries, and it is typically an eight digit code.
23 And it's a taxonomy or a hierarchy, Your Honor.

24 So office supplies might -- it's an eight
25 digit code. Office supplies might start out with 01.

1 Then paper goods could be another code 04, and then
2 legal pads could be 87, and narrow-ruled three-hole
3 punch legal pads another code.

4 So through this drilling down you actually
5 get a taxonomy. You get an identification code
6 assigned to a particular type of good.

7 Now, if someone else comes along and they
8 have other goods, and they can assign goods to them,
9 you now have an identification code that can correlate
10 goods that have similar characteristics through this
11 taxonomy. That's how everyone is doing it right now.

12 As was described in the patent, what was
13 happening is someone was making a determination that
14 there were goods that had perhaps similar attributes or
15 maybe replacement parts. Someone might say I have a
16 150 milliliter beaker and you know what? This other
17 supplier doesn't have it, but it has a 175 milliliter
18 beaker. It's not exactly the same. But you know what?
19 We could substitute or that can serve as a potential
20 replacement for that.

21 So there were these cross-references simply
22 using identification codes that are identified in
23 there. But this cross-reference table doesn't say it
24 has to happen by catalog number. And, again, there
25 were other examples in which we don't use catalog

1 numbers. It doesn't say it has to be by a vendor, and
2 it doesn't say it has to be determined by a
3 distributor, and it doesn't say it has to be
4 equivalent.

5 What Lawson has done here is actually gone to
6 what I'll call a predecessor patent, Your Honor, by two
7 of the inventors. It's called the RIMS patent,
8 referenced in the briefs, or the '989 Patent. That was
9 an inventory management system. It wasn't a sourcing
10 system for goods.

11 And they have taken a requirement that the
12 cross-reference table be created by a distributor in
13 that separate patent. It's not a parent or a
14 grandparent of any of these patents. It's completely
15 unrelated. It's incorporated by reference in this
16 because it was, as I said, on the continuum of
17 developing this electronic sourcing patent. And they
18 say, Look at that. The cross-reference table there is
19 created by a distributor. So it must be in this patent
20 even though it's silent as to that.

21 So we think that's simply an improper -- it's
22 improper to import in the first instance from the
23 patents-in-suit. It's even doubly improper to import
24 from a patent that's in a sense unrelated to it other
25 than it was in a continuum of a development by these

1 inventors.

2 So we think incorporating those elements into
3 simply a cross-reference table is unnecessary and
4 contrary to the law.

5 I'm now on to the actual three remaining
6 general terms as to what I think the parties are
7 genuinely in dispute on. At least I'll represent that.
8 But I think we have transitioned to that.

9 This is electronic sourcing system, Your
10 Honor. This is a preamble to two of the claims of the
11 '683 Patent and seven claims of the '516 Patent and one
12 claim of the '172 Patent.

13 The proposed construction we have --

14 THE COURT: We claim an electronic sourcing
15 system?

16 MR. ROBERTSON: Yes, sir.

17 THE COURT: And then comprising whatever.

18 MR. ROBERTSON: Right. Comprising, Your
19 Honor, is one of those open-ended transition verbs that
20 means it includes all these following elements, but
21 it's not limited to that. It may have additional
22 elements.

23 But for electronic sourcing system, it is in
24 the preamble, Your Honor. We contend that it actually
25 is a limitation because it helps define the invention.

1 The case law says if it defines, breathes life or
2 vitality into the claims, then it becomes part of it.
3 If it provides antecedent basis for some of the terms
4 that are used later in the claim, it should be
5 considered a limitation.

6 It was in dispute in the SAP case, and it was
7 construed by Judge Spencer, and the construction that
8 Judge Spencer gave it is the construction that we have
9 identified here on page 34 and which we would be ready
10 to accept.

11 Lawson's first -- I actually have a
12 definition that Lawson proposed here, but to be fair
13 let me say that their first position is that this term
14 should not require construction. They then say if it
15 does require construction, it's a system for
16 determining what inventory will be used to fulfill
17 requests for items.

18 What we think is wrong with that is many of
19 the claims it's dealing with have nothing to do with
20 inventory at all. That notion is imported entirely
21 into the claim. In fact, it could be just being used
22 for items that are going to be requested.

23 In fact, none of the claims that are
24 referenced that I've referenced before recite at all
25 any requirement about inventory. It is the title of

1 the patent and it is basically the first sentence of
2 the summary of the invention, which is page 36, which
3 says it's an object of the invention to provide an
4 electronic sourcing method system. It's our view that
5 the definition Lawson proposes would actually read on a
6 prior art.

7 When you're talking about determining
8 inventory to fill, you're not necessarily talking about
9 sourcing items from vendor, suppliers, distributors,
10 manufacturers, etc. So we would urge the Court to
11 adopt the same construction that Judge Spencer adopted
12 in the SAP case.

13 With that, Your Honor, I'll be happy to move
14 on to the next one that is in dispute, which is the
15 "converting data" element, which is at page 37 of the
16 slides.

17 This claim term actually has a construction
18 from Judge Brinkema, which is not identified here. And
19 just consistent with my representation to the Court
20 earlier, I would be content to live with the fact that
21 another jurist has examined this and made a
22 determination, and I can provide you with the
23 definition and the source for that.

24 THE COURT: What is it?

25 MR. ROBERTSON: It's actually at Exhibit E of

1 the defendant's opening brief, which --

2 THE COURT: Oh, you mean the opinion is?

3 MR. ROBERTSON: Yes, Your Honor.

4 THE COURT: Is that what you're saying?

5 MR. ROBERTSON: Yes, sir.

6 THE COURT: Yeah, I read it.

7 MR. ROBERTSON: Okay. And the definition is
8 the process of changing from one form or format to
9 another. Where information is concerned a changeover
10 that affects form but not substance.

11 THE COURT: What page of that exhibit?

12 MR. ROBERTSON: It's at pages 19-20 of --

13 THE COURT: That's the Ariba?

14 MR. ROBERTSON: Yes, Your Honor.

15 THE COURT: Judge Spencer didn't do it in
16 SAP?

17 MR. ROBERTSON: No, sir.

18 THE COURT: Okay.

19 MR. ROBERTSON: Now, what do I think is
20 improper about Lawson's proposed construction? First,
21 Your Honor, it talks about substituting a catalog
22 entry. We don't think that this converting data
23 requires any substituting. Indeed there are examples
24 in the specification where no substitution happens.
25 And I'll provide an example of that in a moment, Your

1 Honor.

2 Secondly, we think it says it's substituting
3 a catalog entry. I don't know what a catalog entry is
4 to be honest, Your Honor. I know what perhaps a
5 selected matching item might be, but the patent doesn't
6 talk in terms of substituting catalog entries. And
7 it's not necessarily for purposes of sourcing and
8 pricing, which is also suggested by Lawson's proposed
9 construction.

10 Can we go to column 17 of the '683 patent,
11 lines 23 to 48.

12 THE COURT: Column what?

13 MR. ROBERTSON: Column 17, Your Honor, of the
14 '683, lines 23 to 48.

15 There's actually a discussion in here where
16 you have a user of a system, in this case, it's what's
17 known as a CSR. That's a customer service
18 representative. That might be a human being that
19 Fisher supplied to help its customer use this system.
20 I have it on screen, Your Honor.

21 THE COURT: What slide is this?

22 MR. ROBERTSON: It's actually on the screen.

23 THE COURT: Oh, I see.

24 MR. ROBERTSON: My consultant has just pulled
25 it up.

1 It's talking here about the CSR has access to
2 cross-reference files. So what he can do is when he's
3 determining whether or not -- in fact, in the context
4 here, CSR is creating an order list for customers by
5 entering, for example here, distributor catalog
6 numbers.

7 And what he can do is in the course of doing
8 this, he can just look up on a cross-reference table
9 and consult it. So what he's doing is he's saying,
10 Well, if I needed to look at something and see what
11 may be similar or generally equivalent products, I've
12 got this table readily available to me. He can use it
13 as a resource instead of, and this is my point,
14 requiring it to be substituted. You don't need to
15 require it to be substituted. You may just use it as
16 this resource to determine whether you might want to
17 replace one item with another.

18 So reading into this converting data element
19 of the claim the requirement that it substitute
20 something we think is improper. And also, again, it's
21 not substituting catalog entries because I can't find
22 that. I don't know where that comes from with respect
23 to the patent. It's also not in context of the claim,
24 claim 28, for example, of the '683 Patent. It's not
25 there.

1 I'm reminded by my colleague that in that
2 Exhibit E, Judge Brinkema indicated that she read the
3 definition of conversion alongside the definition of a
4 conversion table. And as a conversion table, she
5 defined it as a table listing a set of characters or
6 numbers and their equivalents in another coding scheme.

7 And so I'm reminded that she read those two
8 in tandem, and that we would suggest that that is the
9 proper construction in its entirety.

10 And the other example I have is you wouldn't
11 be using these -- it also references matching codes, by
12 using matching codes, Your Honor, is part of their
13 definition. And if you'll go to slide 39, here's an
14 example where you're using for the purpose of actually
15 substituting in this case, but you're using a part
16 number code 53610 for an originally-entered part
17 S100-06. So, obviously, they're not matching codes.
18 What they're doing is correlating two separate codes in
19 order to perform in this instance a cross-reference to
20 perform a substitution and successfully adding a
21 different part.

22 If Your Honor doesn't have any questions with
23 respect to that, I'll move on to the last general claim
24 element, which begins at page 40.

25 THE COURT: All right.

1 MR. ROBERTSON: This is a claim element, not
2 really a term. It's an entire element. It is in the
3 '516 Patent, claim 21. Now, let me tell you what I
4 believe the dispute here is with respect to this claim
5 element from the '516 Patent, claim 21.

6 Lawson contends this needs to be construed.
7 It wants this to be treated as one of those
8 means-plus-function claim elements, Your Honor. Now,
9 the Court may be familiar with the law for --

10 THE COURT: It doesn't contain means.

11 MR. ROBERTSON: That's right, sir.

12 THE COURT: And there's a rebuttable
13 presumption that it's not a means-plus-function test.

14 MR. ROBERTSON: Right, sir.

15 THE COURT: I mean claim.

16 MR. ROBERTSON: That's right.

17 THE COURT: And they haven't rebutted the
18 presumption; is that your point?

19 MR. ROBERTSON: That's our point. We think
20 here what they want to do is they want to say it's a
21 means-plus-function claim element, and then they want
22 to say, by the way, when you look at it in that view,
23 there's no structure provided for this multiple
24 purchase order generation module in the specification.

25 THE COURT: And therefore it doesn't

1 satisfy --

2 MR. ROBERTSON: Therefore it's invalid. So
3 this is a summary judgment argument right here with
4 respect to this claim element of invalidity.

5 So, again, we argue, Your Honor, that the
6 term "module" does connote structure in the relevant
7 computer arts. I think we provided you with two
8 dictionary definitions. One from Microsoft --

9 THE COURT: But that argument suggests that
10 you consider it to be a means-plus-function claim.

11 MR. ROBERTSON: No, sir. I suggest that
12 "module" is in fact data structures that are
13 structures, that are not means-plus-function claims
14 that are understood --

15 THE COURT: You're not saying it's the
16 structure to be used with the means.

17 MR. ROBERTSON: That's right.

18 THE COURT: Function. Excuse me.

19 MR. ROBERTSON: I'm saying you don't even
20 need to go there. That you already have structure when
21 you recite the term "module." Lawson relies on this
22 non-precedential unreported Ranpak decision, which I
23 suggest is sort of unique and sua generous. That case
24 treated two terms, settable control means
25 interchangeable with settable control module. And

1 there they said, Well, we can't really see that you're
2 using them any different.

3 We have relied on this On Demand Machine
4 Corp. precedential decision in which they were looking
5 at a means-plus-function claim term, and they found it
6 to be a computer software module that was performing
7 the recited function. So our argument would be a
8 *fortiori* . If a module can be structure for a
9 means-plus-function claim when you have a
10 non-means-plus-function claim that recites module,
11 well, then it certainly should be sufficient structure.

12 Quite frankly, Your Honor, I think the best
13 argument is that the presumption is not overcome and
14 that module in the computer arts has structure.

15 With that, Your Honor, I've completed the
16 general terms.

17 THE COURT: Well, let me hear from them.

18 MR. McDONALD: We just need a moment, Your
19 Honor, to flip the switch.

20 THE COURT: Sure.

21 MR. McDONALD: May it please the Court, good
22 afternoon.

23 THE COURT: Good afternoon, sir.

24 MR. McDONALD: I'll start with the last point
25 first. Could you go to slide No. 94?

1 THE COURT: Did you have books for us?

2 MR. McDONALD: Yes. I'm sorry.

3 THE COURT: Have you got it?

4 MR. McDONALD: Let's go to 86.

5 THE COURT: Where are we going, Mr. McDonald?

6 MR. McDONALD: Starting with the last issue
7 that was raised, Your Honor, regarding the purchase
8 order generation module.

9 THE COURT: Right. Where are we going?

10 MR. CARR: Page 86, Your Honor.

11 THE COURT: 86.

12 MR. McDONALD: 86, I'm sorry. Yes.

13 So I've got up on the screen here just the
14 quote of the element itself to start with here.
15 Obviously, the starting point is the language of the
16 claim itself. And I guess the key point here is when
17 you read that, this multiple purchase order generation
18 module, said purchase order generation module creating
19 multiple purchase orders. Okay. That tells you what
20 it's doing, but it has no structure. From a single
21 requisition. Again, it tells you where it's coming
22 from. It doesn't give you structure. Created with
23 said user-generated criteria. Criteria is just some
24 information. There's no structure there either. And
25 said search module criteria. Again, some other

1 information.

2 This module takes some information and it
3 creates a purchase order. That's a functional
4 description. There's no structure described in there
5 at all. The question obviously is: Does module, that
6 word all by itself, does that give structure?

7 Presumptively, it does because it's not the word
8 "means." This is not a means-plus-function clause.

9 But we did cite the Ranpak case to show that there are
10 examples. It's a rebuttable presumption. And there
11 are other terms that have been used by the Court that
12 aren't means before, and the Court said, Even though it
13 didn't have means in it, for example there have been
14 things like circuitry or mechanism --

15 THE COURT: You're using Ranpak to say that
16 the Federal Circuit has equated the words "module" and
17 "means" to be the same thing. Is that what you're
18 saying?

19 MR. McDONALD: I think, Your Honor -- I'm not
20 sure if it's a general rule, but there's one fact in
21 that case that's very similar to what we have here that
22 seems to be been important there. And that was that
23 there a was a parallel means-plus-function clause that
24 also called out in that case. It was a settable
25 control means, settable control module.

1 Here we have this multiple purchase order
2 generation module, and we also have got the means for
3 building a requisition that involves generating
4 multiple purchase orders. It's not identical language,
5 but it's very, very close. It's essentially the same
6 sort of thing. I think the logic of that case is when
7 you have that sort of parallelism going on with a
8 means-plus-function clause, you're not going to get
9 around the means-plus-function requirements simply by,
10 in essence, substituting the word "module."

11 So that's why we submit that the analysis of
12 the Ranpak case is appropriate here and showing that
13 term in the abstract really doesn't provide any
14 structure. When it's read in the context of this
15 element, it does not have any structure in it. There's
16 no light shed on the structure here.

17 THE COURT: But first you're using that case
18 to show that the word "module" can be construed as the
19 word "means" in order to get it to be a
20 means-plus-function --

21 MR. McDONALD: To take it out of the
22 means-plus-function area, right.

23 THE COURT: Well, in order to -- you know,
24 you want it to be a means-plus-function which doesn't
25 have a structure, therefore it fails.

1 MR. McDONALD: That's right. So to the
2 extent ePlus is saying "module" inherently provides
3 structure, this case shows no, it doesn't. So you're
4 right. That is the point.

5 Now, ePlus cited the On Demand. They brought
6 that up again during their argument. This was in their
7 brief as well where they were saying, Well, this
8 actually shows that a module does provide structure.
9 But there it was a very different case because the
10 customer -- excuse me. The customer-operated computer
11 module was described in detail in the patent. And the
12 Court was citing that fact when they were defining the
13 term "module" as defined in the context of that
14 specification did have structure.

15 What I've got here is even the language from
16 the patent itself in that On Demand case which actually
17 talked about this customer module. It's up here on
18 slide 92. Customer module 103 from that patent
19 includes a customer consult, 155. There's structure
20 right there. With a Super VGA display monitor, 157.
21 More structure. With touch panel, 159. More
22 structure. This goes on.

23 There are several more structural components
24 that are described in that patent that describe that
25 module that the Court said was structural and was not a

1 non-structural means-plus-function clause.

2 That's a very different case because what do
3 we have here? A purchase order generation module. I
4 can't put anything up on the screen like this for you
5 from the ePlus patents because there's no place in
6 their patent where they tell you, Let me tell you what
7 a purchase order generation module looks like or what
8 does it include. There's nothing in that patent about
9 this.

10 This really goes back to one of the --
11 really, the policy underlying means-plus-function, that
12 statute 112, paragraph 6, in the first place. This is
13 an option for patent applicants as a way to describe
14 their invention. They don't have to use
15 means-plus-function. They can actually use structural
16 language for a system claim or steps for a method
17 claim. They don't have to do this, but it does give
18 them an option.

19 In effect, if they want a picture claim. By
20 picture claim, I mean they may have some very specific
21 structure called out in their patent that performs a
22 function, and they don't want to have to put all that
23 language into the claim. Or maybe there's two
24 embodiments, two different structures for performing a
25 single function in the specification. They don't want

1 to bother writing all that language in the claim. They
2 have this option of claiming it as a means for
3 performing that function in the claim.

4 And when they do so, they then invoke that
5 very specific statutory provision that says, You may do
6 that, but in that instance you do not get a claim that
7 covers all means for performing that function. That's
8 not what this is about. It's not for grabbing things
9 that you didn't really describe in your patent. It's
10 not for giving you a scope that includes things that
11 you did not invent.

12 What this does is we'll let you use that
13 shorthand, and as long as you clearly link and
14 associate some specific structure in your specification
15 to the specific function that you're reciting in this
16 means-plus-function claim, we'll let you do it, and
17 your claim will be limited. It will be limited to that
18 specific structure clearly linked, clearly associated
19 to that function in the specification and equivalents
20 to that. And that's the point and that's the exact
21 same thing that's going on here with this purchase
22 order generation module issue.

23 They in a sense are saying it could be any
24 computer that generates purchase orders. We don't have
25 to provide any structure. We just are going to plant a

1 flag in that particular hill and nobody in the world
2 regardless of how they do it, regardless of what
3 structure they use, as long as they are developing
4 something that, I guess, uses a computer that generates
5 multiple purchase orders, they have satisfied that
6 element and they may be an infringer.

7 That's not how this purchase order generation
8 module clause should be interpreted. They haven't put
9 enough in this specification to entitle them to that
10 sort of coverage of that particular element.

11 I'll go back. I've just got --

12 THE COURT: Give me a minute to look at the
13 '516. It's claim what? 21? Is that what it is?

14 MR. McDONALD: Yes, '516, claim 21. That's
15 right.

16 THE COURT: It's column 26, line 1 through 4,
17 right?

18 MR. McDONALD: That's correct.

19 THE COURT: One of the elements of an
20 electronic sourcing system comprising --

21 MR. McDONALD: Correct.

22 THE COURT: And the first part of it is the
23 requisition module?

24 MR. McDONALD: Yes.

25 THE COURT: And the second is a catalog

1 collection searching module, and the third is a
2 multiple purchase order generation module. And then it
3 goes on.

4 MR. McDONALD: Yes. I have a slide up that
5 has those other module claims here or elements just in
6 case the question arises, and I think ePlus did raise
7 this question. Well, this claim has some other modules
8 in it, but you guys at Lawson didn't say those other
9 ones were also means-plus-function clauses.

10 They are right. We're not contending those
11 first two that you just read are means-plus-function
12 because, yes, they use the word "module." All by
13 itself that would not be enough structure, but what
14 I've got here on slide No. 88 highlighted is the
15 structural components of those first two modules that
16 are recited right in the claim elements that under the
17 law take them out of means-plus-function then because
18 (A) they don't have the word "means," and (B) they have
19 got the structure, but, frankly, even if they use the
20 word "means," if you have structure within that clause,
21 it's a means for doing something, but it includes
22 specific things like a collection of catalogs or a data
23 field, things like that.

24 You have now put enough structure into that
25 that actually you could even rebut presumption that it

1 is a means-plus-function claim if instead of module
2 those two have the word "means" in them.

3 So we didn't go there. It would not be
4 appropriate under the law for us to contend that those
5 first two modules were means-plus-function, but it was
6 appropriate for the third one because there's just no
7 structure in there. There's nothing like a data field
8 or collection of catalogs.

9 THE COURT: All right.

10 MR. McDONALD: Can we go to slide 494,
11 please.

12 This has to do with the catalog issue, Your
13 Honor. I'm going through the terms that are not
14 means-plus-function terms, obviously. And I think that
15 the core point that we're trying to emphasize here is
16 the case law makes it pretty clear that when you're
17 construing a term, sure, it's not limited necessarily
18 to the preferred embodiment, but you do have to read it
19 in view of the specification. And there are ways that
20 an applicant will narrow the scope of a term or at
21 least give it some specificity through how they use it.
22 And we believe our definition is very consistent with
23 how various collections of item information are used in
24 the patents.

25 THE COURT: If you do what you're talking

1 about, aren't you in this instance importing a
2 limitation from a specification into the claim?

3 MR. McDONALD: No, Your Honor. I think going
4 to the next slide here, we have a quote from a couple
5 of Federal Circuit cases. The term shouldn't be
6 limited just because they are used in the specification
7 to describe a preferred embodiment.

8 But nevertheless, the context may narrow a
9 term that out of context may be broader. You don't
10 have to have expressly defined it as a lexicographer as
11 the applicant in order to have used the term in a way
12 that will narrow it.

13 And here we talk about, obviously, the
14 features of our definition of catalog that are at issue
15 really are two things. One is we're saying they come
16 from vendors. And that term we do not mean to be
17 unduly narrow, and I'll show why in the specification
18 itself it uses vendors really to apply to all these
19 categories of sources for catalogs. It applies to the
20 distributors. It applies to vendors. It applies to
21 other suppliers. All those are called vendors.

22 So that's a term that we were not meaning to
23 be unduly narrow, but it is in general the folks that
24 are selling your products.

25 THE COURT: If it includes manufacturers,

1 distributors and suppliers, why is your definition any
2 different from theirs?

3 MR. McDONALD: Theirs would include things
4 like a shopping list or --

5 THE COURT: Like a what?

6 MR. McDONALD: A shopping list. I'm going to
7 go to the store. That's an organized --

8 THE COURT: You mean a shopping list such as
9 my wife writes up when I go to Ukrop's?

10 MR. McDONALD: Yeah. It would include a
11 requisition. It would include a purchase order.
12 That's an organized collection of items and associated
13 information. Typically it includes a part number and
14 -- when you go to the grocery store, you probably
15 wouldn't have a part number on that one. But
16 requisitions -- you're placing a requisition. I'm not
17 selling anything. I'm not putting out a catalog, but I
18 am placing an order for something or going down and
19 asking the boss to approve a requisition list. I want
20 six rolls of Scotch tape. I want 12 pens. I want 15
21 notebooks. And this is the size I want. And maybe
22 I've even got a part number or a catalog number on
23 there because I looked it up. And I need somebody's
24 approval.

25 That would meet their definition of a

1 catalog. And that's our concern as to what's going on
2 here. And I'll put the issue on the table. We do have
3 a situation here, I think Mr. Robertson alluded to it,
4 but our client Lawson has been in business since the
5 '70s selling various business systems including
6 purchasing types of systems.

7 They have had something since long before
8 even that RIMS patent was filled going back to at least
9 to the '80s called an Item Master that their customers
10 would populate. They don't sell it with it. They sell
11 it basically as a blank book. But the customer gets
12 it. The customer can populate it with the stuff they
13 buy. So they put in the list of things. Not everybody
14 wants a catalog of Fisher Scientific's 100,000
15 products, Promega's 50,000 products or McKesson's
16 150,000 products for all their employees to be
17 reviewing while they are deciding what they want to
18 buy.

19 There are certain customers that need that
20 and this invention maybe is good for those folks, but
21 there's a whole lot of other folks out there. Maybe
22 they are smaller businesses. Maybe they --

23 THE COURT: Well, is it accused? Is that
24 part of what you are describing? Is that accused?

25 MR. McDONALD: Yes. They are saying that our

1 Item Master that our customer is using will populate
2 with products of their own choosing that they choose to
3 have their employees have access to, that's multiple
4 catalogs. That's what they are contending.

5 THE COURT: Is that patented?

6 MR. McDONALD: No. A lot of folks don't
7 patent software. That's why there is a lot of crazy
8 software patents out there that go back to the '80s and
9 '90s because a lot of folks back then didn't even know
10 you could patent software.

11 The Federal Circuit didn't really shoot that
12 across the bow with clarity until that State Street
13 Bank decision came out, which was not out back in the
14 '80s and '70s and early '90s. I think it was about ten
15 years ago when that one came out.

16 So a lot of companies like Lawson were coming
17 up with products. Maybe they didn't think it was more
18 than an obvious improvement. Maybe they didn't realize
19 it was patentable. I think it was a combination of
20 both. That's why there have been a lot of software
21 cases. This is one of the worst areas of patent law.

22 THE COURT: Boy, you got that right.

23 MR. McDONALD: It's because some people were
24 playing by the patent game and some folks weren't. So
25 the Patent Office, you know, I guess, could they have

1 done a better job? Sure. But at some level they were
2 handcuffed there because they didn't have the prior art
3 with people filing it as much as they could have and
4 should have been to give that base of data available
5 where they could have said, Oops, here's somebody else
6 who's already filed for this one. That's old. That's
7 been around since the '70s.

8 THE COURT: Does the prior art have to be a
9 prior patent?

10 MR. McDONALD: No, it could be a printed
11 publication, things like that.

12 THE COURT: Was your thing in a printed
13 publication?

14 MR. McDONALD: Yes. We got our version of
15 the product offered for sales really would be the way
16 it would qualify.

17 THE COURT: So if they assert that this is
18 accused and use their definition, if they accuse your
19 system there -- what do you call it?

20 MR. McDONALD: Our system, it's -- they have
21 the S3 and the M3.

22 THE COURT: You gave it another name a minute
23 ago.

24 MR. McDONALD: The Item Master.

25 THE COURT: The Item Master. You do the Item

1 Master. They say that the Item Master infringes. Your
2 defense to that is not a definitional situation. It is
3 that you previously published about that before they
4 got their patent. It was in the prior art and
5 therefore the patent is invalid as to that Item Master,
6 right?

7 MR. McDONALD: Right. Well, the issue there,
8 though, that doesn't answer the whole question because
9 we're really only talking about an element of a claim.
10 So now you have all these other issues of -- well, they
11 also have this purchase order generation module and so
12 on. We have to walk through those.

13 But on this issue, if "catalog" was really
14 that broad, we would say, Well, yeah, we did have
15 something like that before. But they could still say,
16 Well, maybe you didn't do that one before, but now we
17 have you over here or over there.

18 Part of my point, though, isn't just that
19 Lawson was doing it, but in fact things like an Item
20 Master were out there even in the RIM system that they
21 admit in these patents were prior art.

22 THE COURT: So they lose under the prior art
23 doctrine but not because of a claim construction.

24 MR. McDONALD: Well, that depends on what the
25 patent says about that and whether it's really saying

1 we've got something different here from the RIMS item
2 or organization of items and things like that or
3 whether a catalog is just one of those things that they
4 describe and disclose as --

5 THE COURT: No, that's just one way you can
6 win. That's just one way you get up on that issue.
7 It's where do you win it. Do you win it here or do you
8 win it in the validity fight because your product and
9 idea was in the prior art.

10 What I'm getting at is this: There isn't any
11 point in trying to squeeze or twist language in claim
12 construction for the mere purpose of dealing with what
13 can be dealt with in the validity part of the case.

14 MR. McDONALD: Well, the claims mean what
15 they mean at some level. You can only move that needle
16 so much. I appreciate that. But, I mean, the fact is
17 it's a lot harder for somebody in our shoes to prove
18 invalidity. The patent is presumed valid.

19 Obviously, it's being pursued at the Patent
20 Office, at least so far, with the preliminary decisions
21 that have been made so far with uniform success.

22 THE COURT: But if it's undisputed that your
23 system was in the prior art, you win that. That's a
24 matter of summary judgment, don't you?

25 MR. McDONALD: Well, there's other issues.

1 The product has evolved over the years. So some of
2 these other features come into play. So that's where
3 there's going to be other issues. That in itself
4 doesn't mean I win. That helps. It could help on
5 that. And certainly we have got other prior art other
6 than our own that may well be summary judgment.

7 So I understand that. It's not necessarily
8 to our benefit for everything to be narrow, narrow,
9 narrow. It may not be, but I do believe that one of
10 ordinary skill reading this patent, reading this series
11 of patents, would not believe a catalog is just any
12 organized collection of items with descriptions of
13 information about them because there's so many other
14 things in these patents that would meet that
15 description like a requisition, like a purchase order,
16 like the cross-reference tables that we were talking
17 about before, like what's in the RIMS patent, the parts
18 masters table.

19 There are so many lists of item information,
20 organized lists, that are not in catalogs. In fact, in
21 some cases they are specifically called non-catalog
22 that I think it is certainly the case that one of
23 ordinary skill reading this thing would have to find a
24 way to construe the term "catalog" to be consistent
25 with what is a catalog and what is not a catalog in

1 these patents.

2 So just to give an example of that right
3 here. This is slide No. 99. What's not a catalog, I
4 think, sheds a lot of light on what is a catalog in the
5 specifications. We've got some language even out of
6 one of the claims of this patent. It's claim 17 of the
7 '516 Patent.

8 It said "converting" means -- includes a
9 non-catalog database containing a cross-reference
10 table. You have already been hearing about the
11 cross-reference table. I also have on this slide Table
12 5 because that refers to non-catalog information. I
13 think that's what they are talking about here as part
14 of this non-catalog database.

15 But what it's got is it's got things like
16 quantity, price, vendor, catalog, description. It's an
17 organized database list of information about items.
18 They told the public when this patent came out that
19 that's not a catalog. That is a non-catalog database.

20 So it would be in conflict with their own
21 message they gave to the public to define the term
22 "catalog" as broadly as ePlus proposes here. That's
23 our point. Here's an example.

24 THE COURT: You would be willing to define
25 "vendor" as a supplier, a manufacturer or distributor

1 or any other person who offers products whether his or
2 his own for sale, is that --

3 MR. McDONALD: That is absolutely true, Your
4 Honor. I've got up here on the screen 97 or slide
5 No. 97, which is column 4, lines 46 to 60 of the '683
6 Patent. I believe ePlus put this up before as well.
7 What I've highlighted here is really --

8 THE COURT: They don't call it just a
9 distributor or a supplier or a manufacturer. They call
10 it a vendor distributor, a vendor manufacturer.

11 MR. McDONALD: Outside suppliers --

12 THE COURT: Then they say "outside
13 suppliers," whether other manufacturers or
14 distributors, listing such vendor's products.

15 MR. McDONALD: Right. So my point here is,
16 Your Honor, I did not intend for the term "vendors" to
17 be limited. I thought the patent would also tell the
18 world that a vendor could include just about anybody
19 who sells something, but not folks who are buying
20 stuff. That's the fundamental difference between our
21 products here that they are trying to evade by having
22 this definition of catalog include lists of stuff
23 people buy. Our client's focus is on the customer who
24 is buying stuff. They are the folks buying our
25 software.

1 Fisher Scientific's focus was, We've got
2 100,000 things we're selling in this catalog. The more
3 we can sell, the better. So let's get a system out
4 there that sells as much stuff in our catalogs as we
5 possibly can. This is an important distinction. And
6 it reverberates throughout all the claims of this case.

7 THE COURT: But your concern is to exclude
8 lists of things that people have decided to buy.

9 MR. McDONALD: Lists of things that --

10 THE COURT: Or listed that they are going to
11 buy.

12 MR. McDONALD: Yes.

13 THE COURT: And he's not trying to included
14 those, is he?

15 MR. McDONALD: Well, I think his definition
16 is. I think he's got to, I think, to include our
17 customers' products.

18 Let me pause for a moment, Your Honor, and
19 give you at least a little "heads-up" on an issue here
20 that you're probably not going to particularly like,
21 but I'll at least give you the context of it.

22 It has to do with these catalogs. Remember,
23 I was saying before that Lawson when we sell our
24 products they're empty. We've got the software, but
25 they don't have the items populated in them. The

1 customers do that themselves.

2 I think there was maybe some testimony that
3 if somebody asked, we might do it for them. But why
4 would they ask? We're too expensive to go do something
5 like that for you. So they do it themselves.

6 So what an individual customer actually does
7 has to be known to know whether or not a system
8 infringes when the claim calls out a system that has
9 multiple catalogs, for example. And so that's a
10 complexity of this case, but it's an indirect
11 infringement case, in essence, there. I know they
12 dispute that, but at some level here, Your Honor,
13 that's relevant to the case.

14 So what exactly a given customer has, is that
15 something they populated? They're buying stuff.
16 That's what, I think, the vast majority of them do.
17 Are there some that do something else? I guess there
18 might be an issue of fact there.

19 At this point they have subpoenaed several of
20 our customers. They haven't really followed through
21 with any of the depositions of any of them to establish
22 that a single one of them even has a catalog under
23 their definition on their systems.

24 But, you know, odds are they are going to
25 have an Item Master like we have sold for 30 or 40

1 years, and they don't have confidence, I don't think,
2 that they were going to be able to necessarily show
3 that they are also getting these wholesale catalogs
4 imported in. So they have to keep this as a plan B to
5 make sure that the catalog is defined broadly enough
6 that even if it's the normal customer just listing
7 stuff they buy, they can still have a gotcha.

8 That could be an issue going down the line
9 because of the indirect/direct infringement,
10 inducement, and things like that. I at least wanted to
11 give you that context here.

12 THE COURT: You know what the problem is with
13 lawyers sometimes? It's a problem with very smart
14 lawyers according to Judge Williams, my colleague.
15 Sometimes they outthink owls. And when they do, they
16 create a lot of issues that don't need to be litigated.
17 And I think both of you are outthinking owls right now.

18 All right. Let's go. I understand.

19 MR. McDONALD: All right. Thank you, Your
20 Honor.

21 THE COURT: That was meant as a compliment.

22 MR. McDONALD: Oh, thank you.

23 THE COURT: To your ability to think.

24 MR. McDONALD: Which now casts doubt on
25 whether we are really as smart as you just thought we

1 were if I didn't figure that out.

2 THE COURT: Well, I'm not going to go there.

3 MR. McDONALD: Our definition also says
4 catalogs have to have images. They have cited some
5 places where the specs says, Well, things such as
6 images and all that. What I've got here cut through
7 the preferred embodiments. What I've got are
8 statements from the parts of the patent that talk about
9 what the invention is. And we have cited some cases in
10 our briefs that when you find descriptions of the
11 invention itself in a place like the summary of the
12 invention or the abstract, that's not just a preferred
13 embodiment. So that has some weight on helping to
14 understand what a term means.

15 THE COURT: The last time that I took that
16 approach the Federal Circuit reversed my construction.
17 So --

18 MR. McDONALD: How long ago was that?

19 THE COURT: It was before Phillips.

20 MR. McDONALD: Well, I've got some hope then.
21 Maybe we both do if you construe it this way.

22 THE COURT: Where are you looking?

23 MR. McDONALD: This is column 3. I've got it
24 from the abstract of the '683 Patent.

25 THE COURT: Column 3?

1 MR. McDONALD: Also in the summary column 3,
2 lines 15 to 16. Actually, I think the sentence is
3 verbatim the same in both places.

4 THE COURT: Where are we on the abstract?

5 MR. McDONALD: Just give me a moment, Your
6 Honor.

7 THE COURT: It's text describing the catalog.

8 MR. McDONALD: There's no line number.

9 THE COURT: No, I've got it. It's text
10 describing the catalog items, and images of the items,
11 may be viewed. That's the line you're talking about
12 there?

13 MR. McDONALD: That's right.

14 THE COURT: Column 3 is in the -- that's the
15 summary of the invention, isn't it?

16 MR. McDONALD: That is correct.

17 THE COURT: Huh?

18 MR. McDONALD: Yes.

19 THE COURT: Okay. Where are you in column 3?

20 MR. McDONALD: Line 15.

21 THE COURT: 15? It's the same sentence.

22 MR. McDONALD: That's exactly right.

23 THE COURT: Yes. And you say that those two
24 things mean that images have to be in the definition of
25 catalog?

1 MR. McDONALD: Yes.

2 THE COURT: Under the invention?

3 MR. McDONALD: That's right.

4 THE COURT: Okay.

5 MR. McDONALD: It's very consistent with the
6 idea here that part of what they did is they wed the
7 system here. If you read the patent, it doesn't really
8 back up to that fundamental level of did they really
9 say what they were doing here.

10 They were acknowledging they have these prior
11 systems like the RIMS system that could do
12 requisitioning, inventory, assessment, sourcing, and
13 things like that. That was out there.

14 They also acknowledge that IBM had this
15 search engine called Technical Viewer 2 which could
16 search large volumes of information including
17 information that would be in catalogs with images in
18 it.

19 In fact, the TV2 description from IBM, it's
20 the Technical Viewer 2, TV2. It may be a little play
21 on words or something. I'm not part of the idea
22 marketing department, but I think part of the idea
23 there is this is a search engine that could look
24 through large volumes of information that includes text
25 and images. Things you would view.

1 So that was out there as well. They wanted
2 to put these things together because customers were
3 coming to them and saying, Well, we like using your
4 requisition system on your catalog, but we like to buy
5 products from other people's catalogs as well. We
6 don't want to have to use multiple systems to do that
7 or do it just for yours and not for theirs. We would
8 like a single system to do that from.

9 So they went out and they said, Okay. Let's
10 see if we can find a way to get these big catalogs,
11 which would be a lot of data when you start adding in
12 images, especially back in the '90s when that memory
13 was a lot more expensive than it is today. We didn't
14 measure things in terabytes back then unless you were
15 maybe with the Department of Defense or something.

16 But that's where this TV2 type of system came
17 into play. It was capable of searching large volumes
18 of information. And the specification, the summary
19 does talk about large volumes of information that would
20 come into play here. So I think it's very consistent
21 there that you've got the text, you've got images,
22 you've got a big system that can handle both of those,
23 the products that are described here.

24 THE COURT: Is this a good place to take a
25 little recess? The court reporter and all of us have

1 been here for two hours. We'll take about a 15 or
2 20-minute break. We'll take 20 minutes so there will
3 be some certainty to it.

4 (Recess taken from 3:30 p.m. to 3:50 p.m.)

5 THE COURT: All right.

6 MR. MERRITT: Your Honor, if I may, just to
7 avoid interrupting the arguments of counsel later,
8 Belinda Jones from our firm has joined us during the
9 break. In about an hour, I have a need to excuse
10 myself if you give me permission to do so, and
11 Ms. Jones can slip into my chair if that's all right
12 with you.

13 THE COURT: All right.

14 MR. MERRITT: Thank you very much.

15 MR. McDONALD: Your Honor, I think we don't
16 have too much time left on these
17 non-means-plus-function clauses so I'll try to get to
18 the key points. We were talking about the catalog --

19 THE COURT: Just for your information, I
20 think we could be here until midnight tonight on the
21 means-plus-function things. And I don't really like to
22 spend Friday night doing that. So I think we'll
23 probably continue this exercise, and we'll make our
24 choices later in the day as to what time depending on
25 where we are when the exhaustion factor sets in.

1 MR. McDONALD: As long as I was going to be
2 able to watch the Vikings game by Sunday night, Your
3 Honor, I was going to be fine.

4 THE COURT: I don't intend to have any claim
5 constructions that will require you to be anywhere on
6 Sunday night other than in front of a television.

7 MR. McDONALD: Very good. Thank you.

8 I've got here slide 101. I don't think it's
9 got a number on it. I think it was just the one after
10 100. Do you have that one?

11 THE COURT: I've got it.

12 MR. McDONALD: Very good. This is just a
13 reference. Remember before the break I had referred to
14 a claim of one of the patents having that non-catalog
15 cross-reference table. I just wanted to put up here a
16 visual from the RIMS patent that really shows what the
17 cross-reference table looks like.

18 And I'm using the RIMS patent here. I heard
19 some reference to that by Mr. Robertson earlier. I
20 just wanted to clarify. Of course, it is incorporated
21 by reference in here in these three patents-in-suit,
22 which means it's certainly relevant to claim
23 construction, although specifically when we get to
24 means-plus-function that's a totally different
25 situation there because you don't import in materials

1 incorporated by reference when determining
2 corresponding structure for means-plus-function.

3 But certainly for other purposes, if it's
4 incorporated by reference, it's part of the intrinsic
5 record. That's even more true here because the patent
6 specifically calls out that the preferred embodiment
7 that they are describing where one of the components is
8 a requisition and purchasing system, the preferred
9 embodiment is that RIMS system, the one that they
10 specifically identify as the one that's described in
11 the '989 Patent. So you've got a couple of reasons why
12 it's a very appropriate place to look when determining
13 what the terms mean here.

14 That with respect to the cross-reference
15 table, I've got some language here that shows that that
16 cross-reference table here, we've got another organized
17 collection of information about items. That includes
18 things like a vendor number, a catalog number, unit,
19 and so on so.

20 So this is further support for the patent
21 itself was telling one of ordinary skill. Catalogs
22 aren't just any organized collection of information
23 about items. It's a very specific group of things that
24 are coming from people selling products.

25 Our definition then works with respect to the

1 images because that cross-reference table doesn't have
2 images.

3 Another example here is just an example of
4 requisition. This is Slide No. 103. It refers to
5 Appendix 9. When you look at the specification for
6 these three patents, it does refer to Appendix 9 as
7 showing the requisition management screen. It really
8 sets out what goes on a requisition.

9 Another example, something not created by the
10 seller but created by the buyer. It's an organized
11 collection of information about items. It's got the
12 part number. It's got quantity. It's got pricing,
13 etc. It doesn't have images. So one of ordinary skill
14 reading this, there's other examples that I won't go
15 into as I mentioned on the slide like the order list,
16 the hit list. There's others. We don't need to go
17 through all those to get the point, I think, on this
18 issue. So that's wrapping up the presentation on
19 "catalog."

20 I'd like to go now if I may, Your Honor, to
21 the issue of "matching items" and "selected matching
22 items." Why don't we go to Slide No. 14, please.

23 I'm going to talk a little bit about the hit
24 list. Maybe I'll turn that off for a brief moment,
25 Your Honor, because this was the issue, I believe, that

1 counsel for ePlus raised when you asked, "Are there any
2 terms here where your patent applicant was their own
3 lexicographer?" They actually defined a term. And
4 this was the one they pulled out. And they pulled out
5 something from the prosecution history.

6 Your Honor, that's not an appropriate place
7 to look for being your own lexicographer. It's got to
8 be within the four corners of the patent as filed. You
9 can't come back later in prosecution and say, Oh, I
10 wish I had defined my terms differently or I wish I
11 defined my terms at all and come back later and
12 backfill during prosecution with perhaps self-serving
13 definitions of terms. It's too late for that.

14 Certainly prosecution history is relevant to
15 claim construction, but where it comes up is to limit
16 scope. That's file wrapper estoppel. That will
17 constrain the scope of an applicant's invention and --

18 THE COURT: Are you saying the patent
19 document whether in the specification or the claims has
20 to reflect that it's that location where the applicant
21 was his own lexicographer? He cannot use terms defined
22 in the prosecution history to apply the lexicographer
23 legal precepts?

24 MR. McDONALD: Exactly. It's a bootstrap
25 because they are citing themselves. Oh, well, two

1 years later I said this term meant something else.
2 Something broader or something in particular that I
3 didn't talk about at the time. You can't do that.
4 That's too easy for the patent applicant to, in effect,
5 change the deal they made with the Patent Office in
6 terms of having a full disclosure when you get the
7 benefit of that filing date that meets all the
8 requirements of being a full description of your
9 invention.

10 There is a part of the statute we've been
11 talking about, Section 112, paragraph 6, on
12 means-plus-function. Well, Section 112 also talks
13 about the requirements of the specification. And to
14 get that filing date, you would have to have a written
15 description of the invention. It has to be complete.
16 It has to be enough to guide one of ordinary skill as
17 to how to practice your invention. That's the date you
18 measure what you have got in there.

19 What's in that specification on your filing
20 date is what needs to have those definitions if you're
21 going to act as your own lexicographer.

22 So on this matching items issue, I just want
23 to walk through a few slides I put together that I
24 think help explain how this system works as described
25 in the patent. Just so we have clarity on what a hit

1 list versus an order list is, etc.

2 This is Slide 14. This is the '683 Patent,
3 column 9, near the bottom of that one at line 53 up
4 through column 10, line 39. And I basically did a
5 graphical representation of what they're talking about
6 there. That's where it discussed where multiple
7 catalogs are present, there is a function for selecting
8 catalogs to be searched, and then searching for
9 particular items.

10 So what I'm trying to represent here in the
11 lower right, the big white box, is the catalog database
12 36. I've got representations of four catalogs in
13 there. Fisher, Promega, Fairmont, and NIST. Those are
14 the four listed at the bottom of column 9 of the '683
15 Patent.

16 I then show the example that they walk
17 through in the patent. And I understand it's an
18 example, but it still helps understand what's going on.
19 The example is they're looking for items that they know
20 are likely to only be in the Fisher and Promega
21 catalogs. So they undertake a step in the algorithm of
22 just choosing those two catalogs.

23 By the way, this is reinforcing the idea that
24 these are large catalogs that are really the intent of
25 this because it would be fine to search everything if

1 the database was small, but they actually promote it as
2 an advantage that we can subdivide it as just search
3 parts of this thing as an option because that will make
4 the searching go faster and more efficient.

5 So we show searching a couple of catalogs.
6 The example in the specification is something that's
7 not on my difficult shopping list, EcoR1, which I
8 believe it says is some sort of a restriction enzyme.
9 So you search the two selected catalogs, Fisher and
10 Promega, for that term, and you get back a list of
11 products from each of those or items. These are the
12 product numbers from those two catalogs. PRR6011,
13 R6011, etc.

14 Those things then come over here on your hit
15 list. That's your matching items. Those are the
16 things that match the criteria that the user input.
17 That's like doing a Google search. You do a search for
18 something and you get back a list of responses. It's
19 probably not going to have everything that you want.
20 There's probably a few things in there you don't want
21 just like with a Google search. The vast majority of
22 it is something you don't want.

23 But in any event, that's your next step is
24 you have done this search. You get a hit list of
25 things that are responsive to what you asked for.

1 So what's next then? Once the hit list is
2 created, the viewer can view it. The user can view it.
3 They can select portions of it to put onto the order
4 list. So that's the next step here.

5 Going to Slides 15 and 16 relatively quickly
6 because I have another graphic here in a moment that
7 will represent what's going on here. But you have this
8 hit list. And then you translate or transfer the items
9 you want to keep on your list to this order list.

10 So when you select, let's say it's one, maybe
11 it's more, off of that list of matched items, in effect
12 your Google results.

13 You have selected one or more of the items
14 that you actually want from the results of the search,
15 and then you put them on an order list. So that's how
16 the patent describes these different things.

17 So now we've got an order list going, which
18 is the one that has some selected items from the ones
19 that were matched. So when we talk about selected and
20 matched, this is where this comes from in the patent.
21 This is where they talk about those things.

22 And then you build the requisition that uses
23 this data. So even that order list, just to clarify, I
24 think there was a little discussion with Mr. Robertson
25 about, Well, what's the plain and ordinary meaning of

1 an order list? Well, it's a list of stuff you order.

2 Well, not so fast. Actually, the patent
3 makes it pretty clear that that's not what it is
4 because there are further steps to go before you
5 actually place an order and what's on your order list
6 may well not be the same thing you wind up ordering.

7 So it's really an intermediate list that is
8 transferred from the search system, the TV2 search
9 program system, transferred to the requisition system.
10 It's kind of an interim order list of things they may
11 want to order. But then it goes over there to the
12 requisition system, and you've got your selected items
13 there. And from there you can build your requisition
14 using that. You don't have to use everything on the
15 order list. You can add to it. You can subtract to
16 it. Maybe from some other searches you did. Maybe
17 because you just know a catalog number for a product
18 you may frequently order and don't need a search.

19 So there are some very specific meanings is
20 my main point here as to what an order list is, what a
21 hit list is, and just giving those things a plain and
22 ordinary meaning is inappropriate in view of what's
23 described here and really invites mischief.

24 It also highlights what a selected matching
25 item is. Matching is the search part that gets you to

1 the hit list. Then you select it, and that's how you
2 get to that derived list, the order list, and from
3 there you can get requisition. And you can add and
4 subtract things at both steps. Going from both hit
5 list to order list. And from going from order list to
6 requisition.

7 So could we go to 126, please.

8 So just briefly touching back on that. An
9 order list.

10 THE COURT: You're not accepting of Ariba
11 definitions?

12 MR. McDONALD: No. I think this is the right
13 definition for that. Ariba, frankly, I think is a
14 little confusing.

15 THE COURT: Why? It does everything that you
16 say.

17 MR. McDONALD: I'm sorry?

18 THE COURT: Exhibit E to your --

19 MR. McDONALD: Our appendix or the actual
20 Ariba order? I don't have that.

21 THE COURT: It's Exhibit E to your first
22 notebook, I believe.

23 MR. CARR: To this notebook?

24 THE COURT: No, to the --

25 MR. ROBERTSON: The opening brief.

1 THE COURT: The opening brief. I called it a
2 notebook.

3 MR. McDONALD: Do you happen to have it handy
4 there because, I apologize, I don't have that.

5 THE COURT: Wait a minute. I mean, the
6 opinion is. Well, I think -- yeah, that's the opinion.
7 And it says -- well, I can't lay my hands on the page,
8 now. I think I patched over it.

9 MR. ROBERTSON: Your Honor, if I might
10 assist.

11 THE COURT: What page is it?

12 MR. ROBERTSON: I believe it's actually the
13 search results and requisition items, which are Judge
14 Brinkema's constructions for matching items and
15 selected matching items, respectively, are actually in
16 Exhibit F, which are her jury instructions at page 27,
17 sir.

18 THE COURT: Yeah, it's page 27 of Exhibit F,
19 and "matching items" means the search results. And
20 "selected matching items" means the requisition items.
21 Why doesn't that solve -- both those solve -- boy, I
22 tell you. It's too late in the afternoon.

23 Why isn't that consistent fully with what you
24 are proposing?

25 MR. McDONALD: The selected matching items is

1 the order list, not the requisition. That's my point.
2 That's part of what I was trying to show with these
3 graphics. You go from hit list. Then you select items
4 from the matching items. Those go to the order list.
5 That's really what that's about. It's not about the
6 final requisition.

7 THE COURT: Where do you draw that from?
8 What part of the claim do you draw it from? It has to
9 be from the claim. You're talking about a sequence
10 now. What part of the claim language does that come
11 from? I didn't see that in the claims.

12 MR. McDONALD: Well, in claim 1 of the '172
13 Patent, that's the selected matching items is one place
14 where that shows up.

15 THE COURT: Wait a minute.

16 All right. Claim 1?

17 MR. McDONALD: Yes.

18 THE COURT: All right.

19 MR. McDONALD: I guess in that one, that's a
20 fair point because there's a separate means for
21 generating an order list that's separate from searching
22 for matching items, but means for generating an order
23 list specifically includes at least one matching item
24 selected by said means for searching. So actually that
25 one does reinforce really what the selected matching

1 items are. They comprise the order list, not the
2 requisition.

3 Then the next element is the means for
4 building a requisition that uses data obtained from the
5 database relating to selected matching items on said
6 order list. So that claim 1 of the '172 does have
7 claimed in there that same sequence I was just
8 describing where you match them, you select them for
9 the order list, and then you go to the requisition, and
10 only then.

11 Do you have any other questions about that
12 one, Your Honor, or may I go on to the cross-reference
13 table?

14 THE COURT: All right.

15 MR. McDONALD: Thank you.

16 So we've got ePlus said this one doesn't need
17 to be construed. We've got our proposed construction
18 because, again, a cross-reference table is not
19 necessarily really something that has a plain and
20 ordinary meaning, and the concern is certainly that if
21 you don't have a definition of that, is the jury really
22 when they get back in that deliberation room, are they
23 really resolving an issue of fact? Or are they going
24 to be agreeing on what, for example, the Lawson product
25 is? Or are in agreement on the facts of what the prior

1 art is, but they are going to be debating over whether
2 or not that prior art on the Lawson product has the
3 cross-reference table because they disagree on the
4 meaning of that. Well, then we're not in a place we
5 want to be because Markman, etc., a fundamental tenet
6 of all that is that the scope of the claims, the
7 meaning of the terms, is an issue of law for the Court
8 to decide. That's not something that should be given
9 to the fact finder.

10 So this is another example of I don't think
11 you know what a jury would say, what the different
12 jurors would say if you said, Look, you-all know what
13 that means. Just go figure it out.

14 We've got some specifics in there with our
15 definition.

16 THE COURT: Where does that definition come
17 from?

18 MR. McDONALD: It comes from the
19 specification both of the RIMS patent and the
20 patents-in-suit because the --

21 THE COURT: You can't use the RIMS patent
22 specification for this.

23 MR. McDONALD: This is not a
24 means-plus-function term. So actually we can do that
25 for this one. And it's really the place where they

1 have a lot of discussion about --

2 THE COURT: No, I'm not talking about the
3 legal principle. I'm talking about they really are
4 different. So you have got to talk about the
5 cross-reference that's used in this patent, not the one
6 that's used in the RIMS patent.

7 I understand it's incorporated by reference,
8 and I understand for use in determining the meaning of
9 terms you can look at an incorporated for reference
10 document, but you can't to find a structure in a
11 means-plus-function test.

12 My point is in this case on this patent you
13 really have to look at the cross-reference in the
14 specification or the claim. And where is that? I'm
15 not sure I've found it. Your definition, that is. I'm
16 not sure I find your definition.

17 MR. McDONALD: Well, I do disagree on whether
18 you can go to the '989 and look at the definition of a
19 non-mean-plus-function --

20 THE COURT: Conceptually, you can. That's
21 not the point I'm making. I'm saying on this
22 definition, on this patent, I really think you have to
23 look at the other one. I mean, the one we're talking
24 about. The '516 is what you're talking about here, I
25 think.

1 MR. McDONALD: Right.

2 THE COURT: It may be that for bolstering the
3 view you can look at the RIMS patent, but that's not --
4 in the first instance, we have to look at this patent.

5 MR. McDONALD: That's fair. And I guess the
6 reason why I'm going to RIMS, I probably jumped the gun
7 a little bit there, but the point is that really the
8 patents-in-suit don't flesh out much of anything on how
9 the cross-reference table is really put together. How,
10 for example, is it determined?

11 THE COURT: In other words, the
12 patent-in-suit doesn't have any definition of
13 cross-reference table in it, either in the
14 specification or the claim; is that your point?

15 MR. McDONALD: My point is it doesn't explain
16 to you how one product is cross-referenced to another,
17 and that's obviously part of what a cross-reference
18 table is. So that the four corners of the
19 specification filed, that's right, doesn't really
20 explain to you how do you know when one product should
21 be cross-referenced to another.

22 THE COURT: We're not dealing with how you do
23 that. We're dealing with that you do it.

24 MR. McDONALD: Yes, but when you're
25 cross-referencing two things, there should be some

1 indication of what that means to cross-reference them,
2 and there has to be some relationship. There's
3 something inherent in the term "cross-reference" that
4 there's a relationship between --

5 THE COURT: What's the fight about here?
6 What is the reason for the fight over this?

7 MR. McDONALD: Well, I think they said we
8 shouldn't have a definition of this at all. And
9 perhaps I see why because they have trouble really
10 figuring out what it is based on the patent
11 specifications they've got in suit here. We're finding
12 what we can find in the intrinsic record to define a
13 term that is not a plain and ordinary term.

14 THE COURT: I don't know. Cross-reference
15 tables are used all over everything we do, isn't it?

16 MR. McDONALD: But what is being referenced
17 to what? You have a couple items on our requisition.
18 Well, they have something in common. You wanted to buy
19 both of them. Is that cross-referenced?

20 THE COURT: But in order to define what the
21 cross-reference table does, you can't find it in this
22 patent.

23 MR. McDONALD: I couldn't find where they
24 explained how you decide this item is cross-referenced
25 to that item. And I thought that was important when

1 trying to figure out what a cross-reference table is.

2 So that's why I resorted to this '989. And that's

3 where this concept comes up.

4 Like I've indicated before, the

5 patent-in-suit doesn't just incorporate it by

6 reference. They do say we actually use the RIMS system

7 as our preferred embodiment. And so when you look at

8 the sentence I have on slide 133, there's a pretty big

9 section of the RIMS patent that talks about

10 cross-referencing. It's actually over three columns of

11 the '989 Patent. So that really sheds some light on

12 what cross-referencing is.

13 There's nothing like that in the

14 patents-in-suit. And so that's why I looked to that

15 and really scoured that for where do you tell us how do

16 you determine when two things should be

17 cross-referenced to each other? How do we know? Does

18 it figure that out automatically? Does a human being

19 look at it? And if so, what does the human being do?

20 Those are questions I was asking myself

21 trying to put myself in the shoes of one of ordinary

22 skill trying to figure out what a cross-reference table

23 is. And this is the section here in slide 133 that was

24 the closest thing I could find. It talks about what's

25 in the table. And it talks about a list of

1 corresponding part numbers of the distributors, vendor,
2 and other distributors for items which have been
3 determined to be equivalent.

4 We're making a little progress, but we're not
5 quite all the way there yet.

6 The next sentence. This relational database
7 is created by the distributor by, for example,
8 reviewing the catalogs of other distributors and
9 determining which items are equivalent to items in the
10 distributor catalog.

11 So now we know. It's a person. It's the
12 distributor. Somebody from Fisher Scientific would be
13 an example of someone that's a distributor. They make
14 that determination of which item is going to be
15 equivalent.

16 That was the only place I could find anywhere
17 in the intrinsic record that would shed any light on
18 when this product is -- excuse me. How you
19 determine --

20 THE COURT: What difference does that make in
21 this case?

22 MR. McDONALD: We don't have a
23 cross-reference table.

24 THE COURT: Okay.

25 MR. McDONALD: Could we turn to 117, please.

1 I'd like to turn now to the electronic sourcing system
2 preamble. I just have a few more points to make and I
3 think we're just about done here.

4 So first question that was a little glossed
5 over I think in the ePlus presentation is: Is this
6 even a limitation? I want to clarify something. It's
7 an important distinction because there are some terms
8 that we say should be construed, and ePlus said, Oh,
9 just use the plain and ordinary meaning. And I heard
10 something during the ePlus presentation that suggested
11 that maybe that was understood to be Lawson's position
12 on electronic sourcing system. Oh, it doesn't have to
13 be defined. Just use the plain and ordinary meaning.

14 No, that's not the case. This is different.
15 Our point isn't that it's use the plain and ordinary
16 meaning. Our point is it's not a limitation at all
17 because under the law a preamble is presumptively not a
18 limitation. Here at slide 119 is the legal test
19 essentially for deciding whether or not you're even
20 going to mention it to the jury as relevant to an
21 infringement or validity determination.

22 It doesn't act as a claim limitation if it
23 merely states a purpose or intended use of the
24 invention. It would be a limitation if it serves to
25 give meaning to the claim and properly define it.

1 So here we go. If it's a purpose or intended
2 use, it's not a limitation. What's the phrase?
3 Electronic sourcing system. Is that the intended use?
4 I think so. Of the system. It's for electronic
5 sourcing.

6 So that's why we submit this is not a term
7 that should be defined at all. This may be relevant to
8 prior art, Your Honor, just to give some context to
9 this. If there were some prior art activity that they
10 were saying, Oh, that's not electronic. That wouldn't
11 apply. That could be where this could come into play.

12 THE COURT: Doesn't it define what the
13 invention is? Doesn't it basically say, We claim, i.e.
14 this is our invention? It is an electronic sourcing
15 system. If it's not an electronic sourcing system, if
16 somebody comes in and shows that whatever they have is
17 not an electronic sourcing system, it just doesn't
18 offend the patent that they are making it or selling
19 it.

20 MR. McDONALD: Well, if they have got all
21 those other elements to the system, though.

22 THE COURT: No, if it's not an electronic
23 sourcing system at all, it doesn't make any difference.

24 MR. McDONALD: Well, the words "electronic
25 sourcing system" sound to me like a purpose or intended

1 use. I'm trying to plug it in here as best I can.

2 It's not much of a preamble. It's three words. And it
3 really doesn't seem to me that it really gives meaning
4 to the claim or defines the invention itself.

5 These other components are listed in the
6 claims. Of course, they have all the specific elements
7 in them that is really where the definition, I think,
8 comes from. But if it does come into play here, we
9 propose the definition that is a little different than
10 what ePlus did. A system for determining what
11 inventory will be used to fulfill requests for items.
12 And they said, Well, where did that come from?

13 If you go to slide 121, again, I looked for a
14 definition of what sourcing is somewhere in the patent.
15 It doesn't really define it in the four corners of the
16 patents-in-suit, but lo and behold the RIMS
17 specification comes out and actually says exactly what
18 sourcing is.

19 Sourcing the requisition is the process of
20 determining what inventory will be used to fill the
21 requisition. So that's where our definition comes
22 from.

23 And, finally, I think we have already
24 discussed -- we've got stipulations on some of the
25 other issues including "protocol" and "subset." So I'd

1 just like together to "converting data" at this point.

2 Could we go to Slide 82, please.

3 THE COURT: Which one did you say was from
4 the RIMS patent?

5 MR. McDONALD: The definition of the term
6 "sourcing"?

7 THE COURT: No, which slide?

8 MR. McDONALD: Oh, that was -- I'm sorry.
9 Let's see. Could we go back to 120. 121, I'm sorry.
10 It's the '989 Patent at column 11, lines 24 --

11 THE COURT: 121 has subset in my book.

12 MR. McDONALD: It's 120.

13 THE COURT: Okay. Electronic system is 120.
14 And this is the RIMS.

15 MR. McDONALD: Yes, that's right.

16 THE COURT: All right.

17 MR. McDONALD: Turn to 82, please.

18 THE COURT: What did you say?

19 MR. McDONALD: This is slide 82.

20 THE COURT: Okay.

21 MR. McDONALD: I'm talking about the
22 converting data step. The heading on this particular
23 slide talks about the means for converting. Of course,
24 we're not talking about that yet, but I wanted to point
25 out something here that this slide nevertheless

1 explains regarding the non-means-plus-function step of
2 converting data.

3 And the point is that, again, when you read
4 these patents, they are not the poster child for
5 clarity of using and explaining the terminology or even
6 being consistent in a lot of ways.

7 THE COURT: How many patents have you
8 reviewed in your life?

9 MR. McDONALD: Well, maybe it's one of many.

10 THE COURT: Have you ever seen a poster child
11 of clarity in a patent yet?

12 MR. McDONALD: I have seen -- probably not in
13 the software area. I'll give you that. Those are few
14 and far between.

15 THE COURT: Okay.

16 MR. McDONALD: I have been involved in some
17 involving shoes. Even that involved the Court of
18 Appeals to figure out what the shoe was. But it may be
19 relatively a little more clear.

20 THE COURT: A 300-page claim construction
21 opinion to figure out what a shoe is.

22 MR. McDONALD: So what I've got here at slide
23 82 is basically doing a word search for "converting" in
24 the patents-in-suit because that's what this step is.
25 Converting data.

1 So what does it mean? The word "converting"
2 shows up. It's at column 15 of the '683 Patent at
3 lines 20 to 33. But the converting we're talking about
4 in the claim limitation is converting data relating to
5 a selected matching item, and it goes on to say to an
6 item in a different source.

7 Obviously, it's at some level related to two
8 different items. When the word "converting" is used in
9 the specification, it talks about a requisition being
10 converted into a purchase order. It's got nothing to
11 do with converting one item of data to another.

12 So my point here is that the patent does not
13 talk about converting. And I think there was some
14 material put up or referenced by ePlus to say, Oh, this
15 is what converting data is.

16 Well, none of the stuff they put up actually
17 talks about converting data. It uses other words for
18 other things, and it's somebody kind of guessing at
19 what that is. So that's my point with that.

20 Now, what's the real difference here between
21 our definitions? Our definition focuses on
22 substituting. Theirs talks about cross-referencing. I
23 think we could probably live with their definition if
24 you substituted cross-referencing with the word
25 "substituting."

1 THE COURT: Say that again.

2 MR. McDONALD: I'm going say it a different
3 way. If you take their definition, take out the words
4 and the phrase "a process of cross-referencing data,"
5 and change that to "a process of substituting data
6 relating to a selected matching item." I changed the
7 word "to" to for data relating to an item in a
8 different source because I think that's really the
9 difference between our two definitions is we're
10 requiring an act of substituting. And they are saying
11 it's really just this act, such as it is an act, of
12 cross-referencing.

13 Can we go to slide 104, please.

14 THE COURT: Do you agree with that, Mr.
15 Robertson? It sounds to me like he might be right
16 about that.

17 MR. ROBERTSON: Sorry. I tried to point out
18 to you that there was no substitution that's required
19 by converting.

20 THE COURT: I know, but conversion means
21 changing, doesn't it? Conversion means something. It
22 doesn't mean just identifying or setting it out or
23 cross-referencing it. It has a meaning unto itself.
24 And if you convert something from one form to another,
25 it is in fact in a way substituting one description for

1 another description, is it not?

2 MR. ROBERTSON: What they're talking about is
3 substituting an actual entry for one product in a
4 catalog entry for another product from a different
5 source.

6 THE COURT: No, they're talking about your
7 definition. They're not talking about his. He's
8 talking about in yours, if construction is required,
9 you say a process of instead of cross-referencing, you
10 would say substituting data relating to. And he would
11 say --

12 MR. McDONALD: I think the rest would be the
13 same here. A selected matching item in an associated
14 source. And this is where it would change. Take out
15 the word "to" and say for data relating to. And then
16 continue with the last six words here. "An item and a
17 different source."

18 MR. ROBERTSON: Two observations, Your Honor.
19 One is we had said that Judge Brinkema's construction,
20 which talks about a process of changing from one form
21 or format to another where information is concerned, a
22 changeover that affects form but not substance. And
23 reading that in conjunction with the conversion tables
24 that are these cross-reference tables, this converting
25 data language, and I need to find the citation for Your

1 Honor, was suggested by the examiner himself to capture
2 the cross-referencing capability of codes,
3 identification codes, from four different items, part
4 numbers, catalog numbers, whatever you have.

5 That was the examiner's suggestion to capture
6 that, and we accepted his suggestion, and I will dig
7 that up. I'm not sure I have that at my fingertips,
8 but I will find that for you, Your Honor.

9 MR. McDONALD: If I may go on, Your Honor.
10 The problem with Ariba, it says it's a change that
11 affects form but not substance. And if I've got a
12 beaker from Promega and I'm going to substitute a
13 beaker from Fisher, that sounds to me like a change in
14 substance if I'm getting it from a different source.
15 So that's what's confusing to me about the Ariba. I
16 think substituting is really capturing what the patent
17 is talking about.

18 The whole point here is I could buy this from
19 source A, but I can get something that's equivalent
20 from source B. So I'm actually going to change my
21 source. The product may be similar. That to me is not
22 a change merely in form. So that's where we're coming
23 from there.

24 I'm not sure if ePlus is still contending
25 just this relatively passive act of cross-referencing

1 data is converting data or not, but I did want to
2 explain here that --

3 THE COURT: Excuse me, but is this what this
4 means? That you have acquired some data as to product
5 A from manufacturer Z, and you have to convert that
6 according to this step, and you convert that to data
7 that relates to another item, product B, and a
8 different source, manufacturer Y.

9 MR. McDONALD: That's my understanding.

10 THE COURT: But it can be the same size. It
11 can be a lacrosse stick six feet in length with a head
12 six inches across.

13 MR. McDONALD: Exactly. Or it could be a 250
14 milliliter Pyrex beaker even from the same
15 manufacturer, just from two different sources.

16 THE COURT: So why isn't that converting or
17 changing in form but not substance? It's because the
18 change is to a different product and a different
19 manufacturer.

20 MR. McDONALD: That's right.

21 THE COURT: Which is what you really make
22 your decision about when you purchase.

23 MR. McDONALD: Right.

24 THE COURT: So it is substantive. Is that
25 your point?

1 MR. McDONALD: That is exactly my point.

2 The point of this, at least I think one
3 benefit supposedly of this feature, is you might have a
4 special deal with vendor Z. You get 10 percent off.
5 And one of your employees comes and says they want to
6 buy something from vendor Y, but you don't have a
7 special deal with vendor Y. You want to be able to
8 know, Can I get the same thing from Z at 10 percent
9 off.

10 That's a substantive difference, too,
11 obviously, if you're going to save 10 percent. Most
12 companies, that's the object of the game. So that's my
13 concern, right.

14 I just wanted to point out one more thing,
15 and I'll be done here, well, two more things actually,
16 with the prosecution here. I think there was some
17 reference to the prosecution involving the converting
18 element by Mr. Robertson.

19 I don't remember off the top of my head
20 whether the examiner suggested it, but we have an
21 excerpt here where they talk about how the applicant
22 clarified the claims.

23 THE COURT: Where are you?

24 MR. McDONALD: I'm on slide 105. I see this
25 slide does not actually have the source stated on it.

1 I tried to have the source on all the slides. So I
2 apologize for not actually identifying the source
3 document here.

4 THE COURT: We can identify it here and write
5 it in.

6 MR. McDONALD: The slide No. is 105.

7 THE COURT: I've never had so much trouble
8 handling paper in my life. Okay. 105. This is the
9 prosecution history here on the left, you say?

10 MR. McDONALD: That's right. Where they talk
11 about adding this means for converting element with the
12 converting step. And really right now we're talking
13 just about the converting step.

14 The amended language properly claims
15 identical matching items from different sources as well
16 as suitable replacement for the selected matching item.
17 And I think that's very consistent with our
18 substituting definition. And so that supports our
19 definition.

20 And then, finally, just reading the claim
21 limitation itself, converting data relating to a
22 selected matching item. And I said "ed" because of the
23 e-d ending on selected. And we've cited some case law
24 in our brief. I mentioned one of the cites here, the
25 Epass case, where you have a step-by-step method claim.

1 And it talks about a step, for example, of selecting.

2 And then the next step talks about doing something with
3 what you selected. Then that next step is presumed to
4 be after.

5 THE COURT: It cites a sequential --

6 MR. McDONALD: It's past tense. So it's been
7 done.

8 THE COURT: Only if, though, there's a
9 predecessor step that suggests the accomplishing of
10 that step.

11 MR. McDONALD: That's right.

12 THE COURT: Though that same step that's
13 articulated in the past tense, right?

14 MR. McDONALD: Right. So, for example, in
15 the '683 Patent, claim 3, you have got means for
16 selecting or means for searching for matching items
17 among the selected catalogs, means for building a
18 requisition using data relating to selected matching
19 items and their associated sources. And the last
20 element, going down a couple, is this converting data
21 one that relates to a selected matching item.

22 THE COURT: All right.

23 MR. McDONALD: And so the point there is I
24 think that supports the idea that substitution --
25 that's something that is very natural and intuitive.

1 That would happen after you have selected one item.

2 You have already selected your lacrosse stick from

3 vendor Y. Now I'm going to substitute.

4 This relatively passive description of
5 cross-referencing data, that table of cross-referencing
6 can be set up any time before you even turn on the
7 machine to decide you're going to buy a lacrosse stick.

8 So this isn't intuitive. I don't think that
9 cross-referencing really fits in that context.

10 So that's essentially everything I have on
11 the non-means-plus-function clauses. Thank you, Your
12 Honor.

13 THE COURT: All right.

14 MR. ROBERTSON: I just have brief targeted
15 responses, Your Honor, to a few of those, if I might.

16 THE COURT: All right.

17 MR. ROBERTSON: While we're at it, if we
18 could before we switch over -- Your Honor, has it in
19 front of you actually. It's slide 105 we were just
20 talking about there.

21 THE COURT: I've got it now.

22 MR. ROBERTSON: We're back at this converting
23 data issue. And the whole point, as I understand it,
24 turns on whether or not there is this required
25 substitution or not. And, in fact, the prosecution

1 history cited doesn't say anything about substituting.
2 It just says, essentially, that the means for
3 converting is going to properly claim identical
4 matching items from different sources so you'll be able
5 to identify those or you'll be able to see whether they
6 are suitable replacements for the selected matching
7 item.

8 It doesn't go on to state and then you have
9 to actually substitute it for the selected matching
10 item. In deed, Judge Brinkema when she was dealing
11 with this very claim element said that the converting
12 or cross-referencing, which she uses interchangeably,
13 does not require the automatic replacement of ordered
14 items and can be satisfied by user-initiated
15 replacements of selected items, which the system can
16 accomplish through cross-reference tables.

17 Cross-reference searching for equivalent
18 items qualifies as converting. This process need not
19 occur automatically either as a function of the
20 original search or after a user has placed an order.

21 THE COURT: Are you citing from her opinion
22 now or the instructions?

23 MR. ROBERTSON: I'm citing from her jury
24 instructions, Your Honor, which was I believe Exhibit
25 F, and that's at page 27. So I think that's entirely

1 consistent with what's represented there as the
2 converting data element and again requires no
3 importation into the specification for substituting.

4 And I don't want to repeat myself, but I did
5 show Your Honor an example in my original arguments in
6 which a customer service representative simply uses the
7 cross-reference table to be able to identify suitable
8 replacements for generally equivalent products.

9 Let me go back to this catalog issue. A lot
10 of ink and breath has been spent on this. Let me be
11 clear. First, we didn't create this definition that we
12 have from old cloth. If you just go to column 4, lines
13 37, I guess it is, through 43, where it says "the
14 catalog database."

15 THE COURT: Which one of your slides --

16 MR. ROBERTSON: I'm on the '683. This is on
17 the monitor, Your Honor, but it says "the catalogs" --

18 THE COURT: Which claim?

19 MR. ROBERTSON: It's in the specification at
20 column 4 of the '683 Patent, Your Honor. It starts at
21 about line 37, I believe, with the sentence "The
22 catalogs and, hence, catalog database 36, may
23 preferably include such information as part number,
24 price, catalog number, vendor name or I.D., and vendor
25 catalog number, as well as textual information and

1 images of or relating to the catalog products."

2 What we're saying there consistent completely
3 with our definition is that it's typically going to
4 have those things. But I do not want a catalog claim
5 --

6 THE COURT: Wait a minute. That isn't what
7 it says.

8 MR. ROBERTSON: It says "preferably," Your
9 Honor.

10 THE COURT: I understand. It says
11 "preferably" and you are equating preferably with
12 typically.

13 MR. ROBERTSON: Well, what I was trying to
14 get at before --

15 THE COURT: That's the difference.
16 Otherwise, the language is the same, isn't it?

17 MR. ROBERTSON: I think that's right, Your
18 Honor.

19 THE COURT: Why shift from "preferably" to
20 "typically"? Why not just use "preferably"?

21 MR. ROBERTSON: I could live with
22 "preferably," Your Honor. I don't want to have the
23 situation happen, Your Honor, where there is this
24 emphasis that in all instances there needs to be an
25 image. And we all know that's not going to happen in

1 all instances with respect to a catalog.

2 THE COURT: Which one of your slides is the
3 catalog? The reason I ask is I wrote my notes on
4 there.

5 MS. WAGNER: Fourteen.

6 THE COURT: Fourteen? Thank you. All right.

7 MR. ROBERTSON: Thank you.

8 This was Judge Spencer's construction sans
9 the word "typically," Your Honor. I just don't want to
10 get in the situation we have here. I heard Mr.
11 McDonald talk about this Item Master and that they have
12 had it for a long time predating these patents.

13 The fact is the evidence we have, Your Honor,
14 is the Item Master is simply a tool for loading catalog
15 data among other things.

16 In fact, the documents show and the
17 depositions testimony is --

18 THE COURT: Are you accusing the Item Master?

19 MR. ROBERTSON: No, sir. Not when it doesn't
20 include catalog data. What the Item Master is is a
21 tool for loading, among other things, catalog data.
22 You could load inventory data, for example, of existing
23 inventory you have in your database. That's not an
24 accused infringing act. But when you load catalog
25 data, and, Your Honor, we have dozens of documents and

1 representations on their Website that the Item Master
2 can be used to load catalog data. There is a user
3 guide about two inches thick that I think is called
4 "The Vendor Catalog Load Guide" for their customers
5 that says, Use the Item Master and use it this way to
6 load catalog data. That's when it infringes. And they
7 didn't start doing that until after 2001. Some seven
8 years after these patents came out.

9 And it's in that instance when the Item
10 Master is used to load catalog data that we'll be
11 accusing it. I have no interest or incentive to have a
12 patent that was an improvement over this RIMS inventory
13 system, which simply had parts lists.

14 I don't want catalog to read on parts lists.
15 I don't want it to read on your wife's grocery list
16 that was used as an example. I want it to read on
17 catalogs.

18 THE COURT: If we just use "preferably"
19 rather than "typically," you're happy?

20 MR. ROBERTSON: Yeah. I think I could live
21 with that, Your Honor. I just don't want to get in a
22 situation that we have hypertechnical non-infringement
23 arguments that this is not really "catalog."

24 I even heard the argument made that, Well,
25 sometimes we take the data and transfer it over to our

1 new system. And that's not, you know, a vendor
2 catalog. That's just items that the customer typically
3 or often orders.

4 Well, where did that original data come from?
5 It came from vendor catalogs. It doesn't lose its
6 attributes as catalog data just because somebody
7 migrates it or migrates part of it. What you're going
8 to find is these customers say, you know, for our
9 office supplies, we're going to use Staples, and
10 traditionally here's the 200 items that we order.

11 Is it the complete Staples catalog? No. But
12 am I going to hear an argument that because I have some
13 portion of a vendor's catalog that's been transferred
14 over into a database that these guys use when they
15 utilize the Item Master to load catalog data and that's
16 not a real catalog. That's what I fear. And that's
17 what I'm trying to avoid.

18 THE COURT: What about this "by vendor"
19 because you cited that text and said that it had
20 distributors, manufacturers and suppliers, but if you
21 look at the part you cited, it refers actually to
22 vendor data, etc. Vendor distributor, vendor
23 manufacturer. You see, it's right down below where
24 you're talking about on column 4, line 46, and
25 following there for about five or six lines or maybe a

1 little further.

2 MR. McDONALD: Yes, sir.

3 THE COURT: Well, your definition has to
4 include vendor --

5 MR. ROBERTSON: I think it should include
6 all, Your Honor. I think it should include vendors,
7 distributors, manufacturers.

8 THE COURT: So you're happy with his
9 definition as long as it reads like the text in column
10 4; is that right?

11 MR. ROBERTSON: I think that's right, Your
12 Honor. I'm trying to think if there's another example
13 that's beyond a distributor, a vendor, a supplier, or a
14 manufacturer that could be relevant, but I think if
15 it's inclusive, it shouldn't be a problem.

16 THE COURT: Well, if you go on further down,
17 "Catalog database can further contain catalogs
18 published by outside suppliers whether other
19 manufacturers or distributors listing such vendor's
20 products different from those in the distributor's
21 catalogs."

22 Even that text connotes that the vendor --
23 that the word "suppliers" is intended to be a vendor,
24 doesn't it?

25 MR. ROBERTSON: I think a supplier typically

1 is a vendor. A distributor is a supplier of other
2 vendors' goods.

3 THE COURT: But, look. Catalog database can
4 further contain catalogs published by outside
5 suppliers. Now, leave out the whether clause for
6 purposes of clarity for a moment. Listing such
7 vendor's products, etc. That such vendor's products
8 means supplier in that context, does it not?

9 MR. ROBERTSON: In that context, yes, it
10 does.

11 THE COURT: And adding back in the whether
12 clause, it would be whether other manufacturers or
13 distributors, they, too, could be considered vendors
14 because they had previously been defined as vendor
15 manufacturers and vendor distributors.

16 MR. ROBERTSON: I think you've solved the
17 problem, Your Honor. Vendor is construed broadly to
18 include all those types of suppliers of goods. All the
19 sources.

20 THE COURT: Then that takes care of the
21 problem for both of you.

22 MR. ROBERTSON: Now, the claims don't
23 speak --

24 THE COURT: You agree with that, too, don't
25 you?

1 MR. McDONALD: That was our intent all along.
2 That's why we chose the word "vendor" to grab all those
3 --

4 THE COURT: But you just shortened it too
5 much.

6 MR. McDONALD: We didn't really explain that
7 adequately, yeah. We shortened it too much.

8 THE COURT: Well, I mean in the presentation
9 of it here. But in your actual presentation, you seem
10 to go along with that notion. Do you now?

11 MR. McDONALD: That's correct.

12 THE COURT: Okay. That's fine. That's good
13 to get a feeling of accomplishment at the end of the
14 day.

15 MR. ROBERTSON: I will just observe, Your
16 Honor, there is an example. There's appendices at the
17 end.

18 THE COURT: What?

19 MR. ROBERTSON: There are appendices at the
20 end.

21 THE COURT: Of '683?

22 MR. ROBERTSON: Yes, sir. For example, at
23 column 21 of Appendix IV, which appears to be a
24 description of a catalog item for a Fisher isotemp 300
25 series programmable ovens. And it's got a textural

1 description. It's got --

2 THE COURT: You have really good glasses or
3 really strong eyes. Which one of those is it? Three
4 or four or what?

5 MR. ROBERTSON: It's Roman numeral IV right
6 in the middle. And I'll just note that there's no
7 image there for that description.

8 THE COURT: There are five others and I don't
9 see any images for the others either.

10 MR. ROBERTSON: Well, they are not actually
11 screen shots. They are images of -- it's not supposed
12 to -- that's a catalog entry, Your Honor.

13 THE COURT: I know. I'm saying article
14 three, four and five I don't have images on my copy.
15 Am I missing something?

16 MR. ROBERTSON: No, sir. I'm just saying
17 that that was a descriptive entry for a product
18 available from the Fisher catalog.

19 THE COURT: Yeah.

20 MR. ROBERTSON: I will observe, Your Honor,
21 there are patent claims of the patents, for example,
22 that do specifically call out for manufacturer
23 catalogs, and I wouldn't want to read vendor catalog
24 into it. If Your Honor says "vendor" is broad enough
25 to include manufacturer, then I think we have reached

1 at least an agreement there.

2 I want to quickly just --

3 THE COURT: Wait a minute. It seemed to me
4 that you just took away with one hand and then gave it
5 back. You gave, then you took away, then you gave it
6 back. I just want to make sure we're clear before I
7 trot off to write this weekend this wonderful epistle
8 that you'll get on Monday or whenever.

9 You are in agreement that "vendor" includes
10 all the things in that section of '683, column 4, line
11 46 and following, that "a vendor manufacturer, a vendor
12 distributor, a vendor supplier," that that's okay?
13 Given that you all said it in your -- that's in the
14 specifications on the claim.

15 MR. ROBERTSON: It's not in the claim, and
16 there are claims that just address the manufacturer
17 catalogs.

18 THE COURT: What difference does that make?

19 MR. ROBERTSON: Does a manufacturer have to
20 be a vendor? Not necessarily, Your Honor. But --

21 THE COURT: No. And if a manufacturer is
22 only listed as a manufacturer, he doesn't come up as a
23 vendor, does he?

24 MR. ROBERTSON: I think that that claim then
25 would be limited to a manufacturer catalog and not a

1 vendor catalog.

2 THE COURT: Right.

3 MR. ROBERTSON: Then we can move forward,
4 Your Honor.

5 Matching items and selected matching items.
6 There was the suggestion made notwithstanding that
7 these were the terms that were adopted by Judge
8 Brinkema that --

9 THE COURT: That she is wrong.

10 MR. ROBERTSON: I'm sorry, sir?

11 THE COURT: The suggestion was that she was
12 wrong.

13 MR. ROBERTSON: And we needed to rely on the
14 specification, not the prosecution history.

15 THE COURT: Yeah.

16 MR. ROBERTSON: I think that misstates the
17 law, but I'll go back and pull that for you. I think
18 certainly when the applicants are adding new terms and
19 are telling the examiner what they mean, that that is
20 exactly being your own lexicographer, particularly when
21 they cite to the specification as support.

22 If you could pull up that prosecution history
23 again.

24 This is prosecution history we have cited
25 earlier to Your Honor about the applicants --

1 THE COURT: Where is it?

2 MR. ROBERTSON: It is Exhibit 22 to the Young
3 declaration, Your Honor. It's a hard copy, which is --

4 THE COURT: It's not a slide?

5 MR. ROBERTSON: No, sir. It's on the screen.
6 Let me just make the point about why this should serve
7 to provide the definition for these terms.

8 THE COURT: Excuse me. This is from where?

9 MR. ROBERTSON: It is from the prosecution
10 history, Your Honor.

11 THE COURT: This is what is Young
12 supplemental --

13 MR. ROBERTSON: Exhibit 22.

14 THE COURT: Exhibit 22?

15 MR. ROBERTSON: Yes, sir.

16 THE COURT: Supplemental declaration
17 Exhibit 22?

18 MR. ROBERTSON: Yes. This is the support
19 that Judge Brinkema relied on for her definition of
20 these two terms.

21 THE COURT: Okay.

22 MR. ROBERTSON: And you'll see here in this
23 office action response, the applicants had actually
24 withdrawn claims 1 through 78 and submitted new claims
25 79 through 129, which they represent more clearly

1 "define" the claimed inventions. And they go on to say
2 that we've used the following terminology. And we say,
3 Here's what we intend that to mean. And then we go on
4 to cite specification line support for those
5 definitions.

6 Now, those terms ultimately made it into
7 claims that were allowed by the examiner, and those
8 were the first time that they were introduced.

9 THE COURT: The first time those terms were
10 introduced were in the new claims that accompanied this
11 part of the prosecution history, this document in the
12 prosecution history, is that what you're saying?

13 MR. ROBERTSON: Exactly right.

14 THE COURT: All right. I think I understand.
15 You don't happen to have an extra copy of that that you
16 can share with us, do you?

17 MR. ROBERTSON: The prosecution history, Your
18 Honor?

19 THE COURT: No, that particular page you're
20 talking about.

21 MR. ROBERTSON: You can have mine, Your
22 Honor.

23 THE COURT: Well, we have the prosecution
24 history.

25 MR. ROBERTSON: I don't think you have a

1 complete set of it, Your Honor.

2 THE COURT: Do we have a complete set?

3 MS. WAGNER: No.

4 THE COURT: No.

5 MR. ROBERTSON: We are remiss on that. I
6 have spoken to --

7 THE COURT: But we have parts of it. I guess
8 they are the exhibits to some of these papers or
9 declarations.

10 MR. ROBERTSON: We're happy to get you the
11 entire prosecution history.

12 THE COURT: Yeah, I think you better agree on
13 what is it is and get one over here.

14 MR. ROBERTSON: We'll do that, Your Honor.
15 In fact, we had agreed to number it sequentially from
16 A001 through whatever.

17 THE COURT: How long is it? Do you know?

18 MR. ROBERTSON: That thick, Your Honor. Six
19 inches.

20 THE COURT: That's closer to a foot.

21 MR. ROBERTSON: It's closer to six inches,
22 Your Honor. It's closer to six inches.

23 We talked a little bit about this preamble,
24 the electronic sourcing system. And Mr. McDonald
25 referred you to the '989 Patent as support for what

1 "sourcing" meant.

2 What's important to understand, Your Honor,
3 and I sense Your Honor's little bit of scepticism with
4 accepting the definition of sourcing from the '989
5 Patent instead of the patents that are at issue here.

6 THE COURT: No, I'm saying that the first
7 place to look is at the patents that are at issue, and
8 then since it's incorporated by reference it can be
9 considered, but that doesn't mean that it's dispositive
10 I guess what I was trying to say and probably did not
11 do it very clearly.

12 MR. ROBERTSON: The point I would like to
13 make consistent with that is the system that was at
14 issue in the '989 Patent is what's called the RIMS
15 patent. It's a requisition inventory management
16 system. It was managing Fisher Scientific inventory.
17 It wasn't a situation where you were using catalogs to
18 search other vendors' goods for sale and source them
19 from multiple vendors or suppliers.

20 So when you source in the RIMS patent, which
21 is why they wanted to import that term "inventory" into
22 electronic sourcing system, you sourced from your own
23 inventory, the Fisher Scientific inventory.

24 When you source in the electronic sourcing
25 patents, which have multiple vendor catalogs, you're

1 sourcing from those vendors, not from your own
2 warehouse where you're just trying to supply inventory
3 to one of your clients.

4 So sourcing -- my whole point is simply this:
5 Sourcing in the electronic sourcing patents is very
6 different from sourcing in the RIMS inventory control
7 patent.

8 THE COURT: Is there a specialized dictionary
9 to which we might look to find out what electronic
10 sourcing systems was interpreted to be? When was the
11 '863 -- that was the first one, wasn't it?

12 MR. ROBERTSON: Yes, Your Honor.

13 THE COURT: When was that filed? 2000 and
14 what?

15 MR. ROBERTSON: It's priority date is 1994,
16 and I don't think you're going to find one since then.
17 The industry has grown enormously, and there are
18 standardized glossaries that have come to adopt certain
19 inventions.

20 THE COURT: When did they come into being?

21 MR. ROBERTSON: Well, I think this industry
22 expanded rapidly from the early 2000s to today where
23 now you have probably north of 100 companies involved
24 in what is called e procurement or e sourcing.

25 We did cite, Your Honor, in our responsive

1 brief two contemporary definitions as to what e
2 sourcing means, and we believe that's consistent with
3 the way we defined it.

4 THE COURT: Yeah, but that doesn't show us
5 what the person of ordinary skill in the art might have
6 turned to if he or she were confused when this patent
7 was published. I guess you really have to go back to
8 when it was applied for, don't you?

9 MR. ROBERTSON: I think the patent actually
10 really tries to speak about it really in the summary of
11 the invention.

12 THE COURT: Where is that?

13 MR. ROBERTSON: Right midway down in the '683
14 Patent, page 2, where it says, It's an object of the
15 invention to provide an electronic sourcing methoding
16 system. And that lets you search databases containing
17 data relating to items available from at least two
18 vendor product catalogs.

19 So --

20 THE COURT: Where are you?

21 MR. ROBERTSON: I'm at the summary of the
22 invention, Your Honor, at column 2.

23 THE COURT: Column 2. Oh.

24 MR. ROBERTSON: There's a heading there
25 "Summary of the Invention."

1 THE COURT: Yes.

2 MR. ROBERTSON: And it goes on to provide
3 very detailed descriptions as to what the objects of
4 the invention are.

5 It's black letter law that the patent
6 shouldn't be restricted to this, but it's clearly
7 saying what the -- particularly after the background of
8 the invention what some of the benefits are. And one
9 of the benefits is --

10 THE COURT: Are you talking about it is also
11 the object?

12 MR. ROBERTSON: Yes.

13 THE COURT: Well, you're citing this as
14 something to which I should turn for defining
15 electronic sourcing?

16 MR. ROBERTSON: It's certainly consistent
17 with what electronic sourcing system is as opposed to
18 the RIMS inventory sourcing.

19 THE COURT: Now, that is a lawyer answer.
20 How about giving me yes or no? Can I rely on this in
21 defining electronic sourcing in your judgment?

22 MR. ROBERTSON: It informs what electronic
23 sourcing system is. I would not want everything in
24 there imported into the claim limitations because there
25 are actual claim limitations that --

1 THE COURT: Did I say I was going to import
2 it?

3 MR. ROBERTSON: No, sir.

4 THE COURT: What did I say?

5 MR. ROBERTSON: You can certainly look to it,
6 sir, to inform your construction.

7 THE COURT: I can consider it?

8 MR. ROBERTSON: Yes, sir.

9 THE COURT: Okay. In the absence of
10 something better, I can use it as an informative thing,
11 right?

12 MR. ROBERTSON: As long as you don't import
13 limitations from it into the definition.

14 THE COURT: That's a fine line, isn't it?

15 MR. ROBERTSON: It certainly is, sir.

16 I wanted to talk about this multiple purchase
17 order generation module for one second.

18 THE COURT: All right. Where is your slide
19 on that?

20 MR. ROBERTSON: To do that, I'd like to focus
21 on claim 21 of the '516 Patent.

22 THE COURT: Where is your slide on that?

23 MR. ROBERTSON: I don't have a slide. I
24 think you're going to have to look to Tab 2.

25 THE COURT: No, the original one that you

1 had.

2 MR. ROBERTSON: Tab 2.

3 MS. WAGNER: Forty.

4 THE COURT: Forty. Multiple purchase order
5 generation module. That's what you want to talk about,
6 right?

7 MR. ROBERTSON: Yes, sir.

8 THE COURT: Where is yours, Mr. McDonald?
9 Which one is that one? Somebody tell me and I'll find
10 it. It's the '516 Patent? Is that what you all are
11 looking at?

12 MR. ROBERTSON: Yes, sir.

13 THE COURT: Claim 21?

14 MR. ROBERTSON: Claim 21.

15 MR. McDONALD: Our slides begin at slide
16 No. 86.

17 THE COURT: Eighty-six. All right. I have
18 both of them in front of me.

19 MR. ROBERTSON: Let's see if we could put
20 that all together if we could.

21 THE COURT: Okay. Claim 21 you want to turn
22 to, right?

23 MR. ROBERTSON: Yes, sir. And you will
24 recall that the suggestion here is that this multiple
25 purchase order generation module has to be construed as

1 a means-plus-function claim term. And then once that's
2 done, the argument was made there's no structure
3 allegedly in the specification that discloses how this
4 multiple purchase order generation occurs from a single
5 requisition.

6 Now, I understood Mr. McDonald to represent,
7 because we sort of took them to task in briefing, that
8 each one of these elements recites a module. Your
9 Honor picked up on it. There's a requisition module.

10 THE COURT: He agreed with that, and he said
11 the requisition module and the catalog collection
12 searching module are not subject to the same frailty of
13 absence of structure as is the multiple purchase order
14 generation module, I believe.

15 MR. McDONALD: I think that's right. Now,
16 notwithstanding that, the attorney who crafted these
17 claims utilized the term "module" throughout for each
18 one. And notwithstanding, if you quickly look at claim
19 16, when this patent attorney wanted to claim a
20 means-plus-function claim, he knew exactly how to do
21 it. I'm sorry I was saying him. It was a woman. So
22 she knew exactly how to do it. She said converting
23 means for converting data.

24 So she knows when to use the term "means" in
25 order to create the presumption that it falls under the

1 ambit of 1.12.6.

2 But here's the more important note. I heard
3 Mr. McDonald concede that each one of these modules, he
4 said, the requisition module, the searching module, had
5 sufficient detailed structure to support it as a
6 non-means-plus-function claim.

7 So what happens when we get to the multiple
8 purchase order generation module? What's it going to
9 use to do this?

10 Well, the first thing it's going to use, and
11 just circle this, it's going to use the said purchase
12 order generation module creating multiple purchase
13 orders with said user-generated criteria and said
14 search module criteria.

15 Those are the very two claim elements that
16 come right before that Mr. McDonald conceded had
17 sufficient structure.

18 So when we're getting to this purchase order
19 generation module, it's saying I'm going to use the
20 prior modules that had structure in order to be able to
21 do this multiple purchase order generation module from
22 a requisition that was created by this admittedly
23 detailed, sufficiently detailed, requisition module and
24 found from user-generated criteria, sufficiently
25 detailed, for the search module criteria, admittedly

1 containing sufficient structure.

2 THE COURT: Does that mean then that there
3 are two points to be resolved here? (A) Whether
4 there's a means-plus-function. And your point is that
5 it is not for the reasons you've said, but even if it
6 is a means-plus-function, the structure is adequately
7 disclosed.

8 MR. ROBERTSON: I think it's adequately
9 disclosed by concessions from counsel right in that
10 claim itself.

11 THE COURT: That's what I'm saying.

12 MR. ROBERTSON: I do, but I'd like to go even
13 beyond that if I could and tell you where the structure
14 is in the specification even if it is a
15 means-plus-function claim.

16 THE COURT: All right.

17 MR. ROBERTSON: Because there are
18 means-plus-function claim elements that do recite this
19 multiple purchase order capability. And, first, I'd
20 like to go to column 15, starting at about line 19, and
21 in fact I think that Mr. McDonald relied on that.
22 Going down to about line 49. Here where there's a
23 discussion that once a requisition has been inventory
24 sourced and accepted by the CSR, it can be converted to
25 one or more purchase orders. So we're talking about

1 this whole multiple purchase order generation process.
2 This module. This procedure here that's going to
3 happen.

4 So how do we do it? You'll see, for example,
5 it says that, for example, the requisition represented
6 by requisition item table 46, this is in one of the
7 appendices, it accepted without further revision. You
8 press a function key, which accepts. And it can
9 generate the following three purchase orders.

10 So you've got three different lines. One is
11 you're purchasing from an on-site distributor-owned
12 inventory. The next one is you can be ordering from an
13 on-site customer-owned inventory, which is actually
14 sort of an internal transfer of the customer.

15 Another example is two other lines, 001 and
16 003, ordered respectively from distributors, and they
17 have two different type of warehouses. These three
18 purchase orders, type 01, type 03, is stated as shared
19 between these computers it goes on to say.

20 Now, where are we getting these different
21 codes, these different types, of sources for these
22 products? You go over onto column 18, starting at
23 about line 18, "Once responses." Do you see that?
24 Going down to about line 29. You have, Once responses
25 from either or both have been obtained, the distributor

1 purchasing employee can use the item list in Easel
2 Interface. This Easel Interface was a commercially
3 available graphical user interface much like you see on
4 computers today that's user-friendly instead of -- at
5 the time what was cutting edge technology in the sense
6 that they first started out with what are called "green
7 screens." To create one or more of the following
8 purchase orders.

9 So you have an order from the customer to
10 supplier, which is an administrative purchase. You
11 have an order from a customer to a distributor, which
12 was a type 7 product, or an order from the distributor
13 to the supplier usually providing for direct shipment
14 from the supplier to the customer. And it gives these
15 different types of purchases from various sources,
16 whether they be internal or external, it gives them
17 type numbers. It gives them identification codes.

18 Once you're given codes to the type of
19 distributor or supplier or even internal vendor, the
20 computer, which is a machine which processes data, can
21 process those codes. Those codes permit you to take a
22 single requisition as is disclosed there and split them
23 up based on the source.

24 So once I've assigned codes to this thing,
25 the computer does the rest of the work for me. That's

1 exactly how the multiple purchase order generation
2 module can do it. It identifies for me the various
3 sources of the product for which I'm going to generate
4 a purchase order.

5 THE COURT: So you're saying that's the
6 structure?

7 MR. ROBERTSON: Yes, sir. I'm saying --

8 THE COURT: Line 23 or 24 through 29, and
9 then the examples that follow through line 34 and the
10 references therein made.

11 MR. ROBERTSON: And I also have been pointed
12 out by my colleague there's an additional description
13 at column 10, lines 48 through 64, discussing the
14 purchase order would then be generated for this
15 corresponding distributor item as further described
16 below.

17 It actually breaks out these different type
18 products from different distributors. That's
19 additional support. In fact, that actually is a better
20 place to find these different product types that are
21 described.

22 THE COURT: What line?

23 MR. ROBERTSON: Column 10, lines 48 through
24 64, column --

25 THE COURT: Forty-eight?

1 MR. ROBERTSON: Forty-eight, sir, yes,
2 through 64.

3 THE COURT: Uh-huh.

4 MR. ROBERTSON: And then we were on to column
5 15 where it's the multiple purchase order --

6 THE COURT: Yes, I've got that.

7 MR. ROBERTSON: That was actually 19
8 through -- goes down to about 59.

9 THE COURT: All right.

10 MR. ROBERTSON: And then 18 was -- column 18
11 was lines 17 through about 29.

12 I think, Your Honor, with that -- oh,
13 actually --

14 THE COURT: Is that all you wanted to say
15 about generating?

16 MR. ROBERTSON: I think I did, sir, yes.

17 One other point I wanted to make about
18 selected matching items. You'll recall that Lawson's
19 position is it has to be selected matching items for
20 inclusion on the order list, as I recall.

21 THE COURT: It kind of looked that way from
22 the claim he was reading.

23 MR. ROBERTSON: Excuse me, sir?

24 THE COURT: It kind of looked that way from
25 the claim language he was reading. Wasn't that '172,

1 claim 1.

2 MR. ROBERTSON: Yes, that's exactly right,
3 Your Honor.

4 THE COURT: Hold on. Let me get it. Go
5 ahead. I've got it.

6 MR. ROBERTSON: That's because '172, claim 1,
7 actually includes the words "order list." So what he
8 wants to do now is take that claim which specifically
9 uses the words "order list," and make it always be an
10 order list when you're talking about selected matching
11 items.

12 THE COURT: That would be a very good
13 argument for the other patents if it were in the other
14 patents, but it's not so strong you say since it's in a
15 different patent.

16 MR. ROBERTSON: It's not in any of the other
17 patents. So let me just show you '683, for example,
18 claim 28. You can look at claim 26 or 28 because it's
19 in both of them. And the first time you see selected
20 matching items is not when you're generating one or
21 more purchase orders, which is the fifth element down,
22 processing the requisition to generate one or more
23 purchaser orders for the selected matching items. It's
24 actually --

25 THE COURT: Hold on a minute. How many

1 claims are there in '683?

2 MR. ROBERTSON: Forty-five, Your Honor.

3 THE COURT: I'm sorry. I picked up the wrong
4 one. What have I got here? Here it is. I'm sorry.
5 In '683 at what claim? Twenty-eight?

6 MR. ROBERTSON: Yes, sir. We're specifically
7 talking about this selected matching items language,
8 which Lawson says has to include an order.

9 THE COURT: Twenty-eight.

10 MR. ROBERTSON: You'll note the first time
11 the words "selected matching item" appear in claim 28
12 is not in relationship to generating orders. It's you
13 build a requisition using data related to selecting
14 matching items and their associated sources.

15 So you're actually not using selected
16 matching items for an order list at all. You're using
17 it for a requisition.

18 And then subsequently --

19 THE COURT: Your definition is for
20 "requisition" or "order," isn't that right?

21 MR. ROBERTSON: My definition is actually --
22 yes, it can be used alternatively. There are claims
23 that use order list, as you pointed out, '172, and
24 there are claims that don't. Our definition
25 actually -- I have adopted Judge Brinkema's definition

1 for selected matching items as requisition items,
2 unless, of course, the claim specifically makes clear
3 it's for an order list, such as '172, claim 1.

4 THE COURT: All right.

5 MR. ROBERTSON: That's all I have, Your
6 Honor.

7 THE COURT: All right. Get your calendars
8 out unless you-all want to spend the night here until
9 tomorrow morning. I didn't hear any volunteers.

10 I don't have very much time available. It's
11 going to take a while to do that, isn't it?

12 MR. McDONALD: Means-plus-function you mean,
13 Your Honor?

14 THE COURT: Yes.

15 MR. McDONALD: I'm not sure how much is going
16 to be really going through element-by-element. I think
17 that's some of it, but I think a lot of it is just a
18 whole different approach to the means-plus-function
19 clauses. So I would say maybe about comparable to what
20 we did today. Maybe a little less even. But it looks
21 like more stuff, but I think it will be about
22 comparable to today.

23 MR. ROBERTSON: I disagree with my brother on
24 that. I think my approach is going to be at a higher
25 level to say is our approach better or is their

1 approach better, and give the Court hopefully a
2 framework for then having confidence in our approach or
3 having confidence in their approach. And that
4 hopefully should resolve the matter. So I would like
5 to use less time actually.

6 THE COURT: Well, given that I might need
7 more, let's start at 1:30 on January 27.

8 We need to change the conference call away
9 from that time frame. All right. Thank you all very
10 much.

11 MR. CARR: Judge, could I raise one
12 procedural issue?

13 THE COURT: Yes.

14 MR. CARR: Back in November we submitted an
15 agreed scheduling order --

16 THE COURT: Yes.

17 MR. CARR: -- to the Court. We have all been
18 abiding by that order, but it was never entered.

19 THE COURT: I'll enter it.

20 MR. CARR: I just want to point that out to
21 you.

22 THE COURT: Yes. I will tell you now, I
23 don't believe that we're going to be able to have a
24 trial on the date. That's why I was holding it. I
25 think it was June the 15th or something like that,

1 wasn't it?

2 MR. ROBERTSON: June 14.

3 THE COURT: And when I set that trial, I will
4 tell you what it is. It's a date that I have to be in
5 Oregon. I didn't realize that I had to be in Oregon,
6 and I've been trying to work out a way to tell you
7 exactly what the trial was before I did the order. But
8 I'll sign the order and you all can have it. You've
9 been abiding by it anyway, haven't you?

10 MR. CARR: Yes, sir.

11 THE COURT: All right. Okay. Does that take
12 care of what we're going to do today?

13 MR. McDONALD: Yes, sir.

14 THE COURT: Thank you all very much. We'll
15 see you on the 27th.

16 We'll be in adjournment.

17

18 (The proceedings were adjourned at 5:20 p.m.)

19

20 I, Diane J. Daffron, certify that the
21 foregoing is a true and accurate transcription of my
22 stenographic notes.

23

/s/

1/26/10

24

DIANE J. DAFFRON, RPR, CCR

DATE

25